Mond Nickel Earnings—See Page 17

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The Nation's Business

More Noise From Grand Trunk "Heirs"

Raises Question "Who Is Behind It?"

Research Work Already Done Proves Itself Value Beyond Doubt

MORE than one leading British financier is ready to admit that Grand Trunk stockholders in Great Britain have shown poor sportsmanship in their incessant pleas for grants from the Canadian government to reimburse them for their losses in the Grand Trunk Railway. The aspect of the Grand Trunk dispute long since changed. It has taken on much the status of some famous wills and heirs cases. The most recent threat to take legal procedings against the Canadian government makes it look as though certain people were interested in keeping the agitation alive. The weight to be attached to legal proceedings may best be gauged by the fact that the very act of incorporation of "Grand Trunk Junior Stocks, Limited," indicates that compensation is sought "as an act of grace or otherwise," which may be taken to mean on compassionate or moral grounds.

It seems now that it would have been expedient for Canada to the end of warming the cockles of British hearts, to have made a free gift of $25,000,000 or so to the junior stockholders, although the award of the majority of the board of arbitrators clearly indicated the stocks to have no value. But this grant was not made, and Canada should not make it now. Grand Trunk stocks now have only a nuisance value, and this nuisance value is being exploited to the limit. But the Grand Trunk dispute is causing as much harm to British finance as to Canadian finance. It has helped to strengthen the estrangement between Canadian borrowing and London loaning that was chiefly induced by disparity in money rates between London and New York.

It would be a strategic move for British finance if a few leading bankers in the City would quietly call off the Grand Trunk agitators.

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THE possibilities inherent in the scientific research program of Hon. James Malcolm, minister of trade and commerce, can easily be seen when we see what our meagre efforts to date have accomplished for us. With small public appropriations, the Advisory Research Council has done much; with a $2,000,000 laboratory and a well organized program Canadian government departments and industries should be able to place Canadian research work forward into the van of progress.

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INDUSTRIAL and scientific research on anything like a national scale is only nine years old in Canada, but in that time, under the handicap of lack of facilities and financial aid, a vast amount of valuable work has been done, and the possibilities of the future, with proper equipment at hand, have been convincingly demonstrated. The National Research Council was created by the government at the end of 1916, and began to function the following year. Since then it has expended less than a million dollars but under its auspices forty-three research investigations have been brought to a conclusion, some of them with important results, and fifty more are now in progress. Practically all of the widespread activities with which the National Research Council has to do are on an entirely honorary basis. Not only do the members of the council themselves receive no financial reward, but of the 389 persons who were actively engaged under its auspices during the past year 314 served without remuneration.

With its limited facilities, the scope of the council's work has of necessity been restricted largely to the co-ordination and stimulation of research, and to the training of university graduates for a career in scientific and industrial research. The council operates in the main through a number of associate committees, sixteen of which are now functioning, with a membership of over two hundred eminent Canadians who are contributing their time and talents without payment. It also co-operates with the various departments of the government engaged in research. Of the $929,000 expended in nine years by the council, forty per cent. has been in grants in aid of research and twenty-six per cent. in the establishment of scholarships, nearly all of the winners of these scholarships being now employed in research activities in this country.

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THE large number of research investigations brought about by the council have served or are serving a variety of classes of Canadian enterprise. For example one such investigation conducted by Dr. F. C. Harrison, of Macdonald College, has succeeded in solving certain difficulties

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Order to Wind Up Dominion Steel Does Not Mean Liquidation

Properties will be Operated In Union For Some Time

WORK OUT PLAN

Trust Companies Will Develop Scheme of Reorganization — Wolvin Will Appeal Decision of Court

National Trust Co. has won a notable victory in the fight against the management of British Empire Steel Corp.

Justice Chisholm of the Nova Scotia Supreme Court has placed Dominion Steel Corp., principal subsidiary company of Besco and holding company for Dominion Iron and Dominion Coal under the control of Royal Trust Co. as liquidator, in accordance with the petition of National Trust to the court.

For Unified Control

In a nutshell, the judge's decision was based on the fact that the Dominion Steel Corporation came into being solely as a means to an end—that end being to insure the unified operation and control of the Dominion Coal and Dominion Iron and Steel properties.

The Dominion Steel Corporation is a subsidiary of Besco and in turn owns all the common shares of the Dominion Coal and the Dominion Iron and Steel. Before the coal and steel properties were unified in this fashion there had been long drawn out litigation between the two companies.

The court's decision points out that the primary object of the Dominion Steel Corporation as expressed in its charter is to amalgamate the operation of the coal and steel properties, and as this is not being carried out, the court ordered the winding up of the Dominion Steel Corporation.

Justice Chisholm many weeks ago denied a similar petition with regard to Besco itself.

Royal Trust Co. immediately announced that its concern is with Dominion Steel Corp. itself and that for the present at least, it had no authority to interfere with the operation of Dominion Coal Co. Dominion Coal Co. and Dominion Iron & Steel Co. are the principal operating subsidiaries of Dominion Steel Corp. Dominion Iron had been under the control of National Trust Co. as receiver and manager for the last year.

But End Not In Sight

The end is not in sight for Roy M. Wolvin, the president of Besco, has issued a statement in which he says that the winding up will endanger the equity now held by the shareholders of the corporation, and has announced that it is the intention of the Besco management to appeal the winding-up order of the courts. Thus, it can be anticipated that a rather long drawn out legal battle will ensue.

Term is Inexact

Assuming that the program to be followed, with the court's sanction, will not differ materially from the program tentatively determined on at the time of the petition to the court for the appointment of a liquidator, there will be a period of marking time before there are steps to reorganize or liquidate Dominion Steel Corp. Interpreters of this policy of National Trust Co. and interests associated with it have said that the legal term "liquidation" is not strictly accurate in shareholders' actions. In some countries, "intervening" would be applied, it is said, with more accuracy in such a case as this.

One of the criticisms leveled at the present management of Besco and its subsidiaries has been that details of managements, cost and financial affairs have not been available to the public and to the receivers of Dominion Iron. Without complete access to the facts and without close examination of operation and expert appraisal of property, it was difficult to determine what would be an equitable basis of reorganization.

This difficulty of determining an equitable basis of reorganization without access to the facts determined National Trust Co., it is said, to apply to the court for appointment of a liquidator. The liquidator, or intervenor, would be a court officer who would conduct the affairs of the corporation for a term until such time as conditions and information permitted the suggestion of a plan of reorganization which would be in the national interest and in the interest of each class of security holder.

It is believed also that National Trust feared an attempt to segregate the valuable coal property and that this was another reason for the application to the courts.

It can be expected, therefore, that the liquidator, or intervenor, in the case of Dominion Steel Corp. will simply give the signal to the operating companies to carry on and that there

(Continued on page 4)

Sherwin-Williams Sales Are Larger

From Our Own Correspondent.

MONTREAL.—Sales of the Sherwin Williams Company for the current year have increased substantially over the figures of last year and it is anticipated that the total sales volume of the fiscal year which ends August 31 will be satisfactorily above the level of the preceding year. Especially in Western Canada have the company's sales increased. Thus the expectation is for a betterment in the earnings this year.

In 1926 the earnings on the common stock after all charges equalled 9.53 per cent., as compared with dividends of 6 per cent. on the stock. During the present fiscal year all the outstanding bonds were redeemed; thus, even if profits were only maintained at last year's level, there would be an increase in the net available for distribution on the common stock.

Huron and Erie Plans Increase in Borrowings

Huron and Erie Mortgage Corporation is arranging to take advantage of recent legislation by the Dominion and Ontario governments permitting it to increase its takings of deposits and sale of debentures. A meeting of shareholders has been called for September 20 to confirm by-laws passed by the directors in connection with the new policy.

Recent Ontario legislation increased the ratio of borrowings by loan companies from four to eight times paid up capital and reserve. Dominion government legislation increased the ratio from four to six times. The Huron and Erie directors are planning to take advantage of the latter figure. This increases total borrowing power from around $30,000,000, which has now been reached to $45,000,000.

It is anticipated that this will take care of the normal growth in the company's deposits and debentures during the next five years without the sale of new capital stock.

Canadian Brokers' Rule in Voting Proxies Same as That Changed in U.S.

As the result of the criticism of the vituperative Samuel Untermyer, the New York stock exchange has promulgated a rule whereby members are forbidden to sign proxies or vote on stock registered in their names unless the firm or its clients are the actual owners of the stock. Mr. Untermyer's criticism arose from the fact that stock was being voted which was not owned by the brokers, having passed out of their hands.

In Canada, according to an authority on the procedure of the reliable brokers, there is no rule regarding the matter. The procedure is as follows.

The real owner of the stock registered in a broker's name is usually the client of the broker. Where the client desires a proxy the broker is obligated to give it although, there may be a loan against the stock. Where the client does not request the proxy—as he seldom does—the broker votes on it. Where the stock that has passed out of his hands and in the hands of other brokers, but with registry unchanged, the broker in whose name the stock is registered feels at liberty to do as he wishes so long as proxy is not demanded from him. The possessor of the stock can prove his right to vote on it—and thus block another vote or nullify a proxy—up to the time of the meeting.

Owners Indifferent

It is pointed out the acrimony which has occasioned the New York stock exchange new rule is due principally to the fact that shareholders as a rule are too often indifferent as to their voting rights as owners of the company and that it is often with difficulty that a reasonable representation of shareholders, either in person or by proxy, can be rounded up for shareholders' meeting. Some companies have partially solved the difficulty by developing the social side of the meetings, by luncheons or teas.

The criticism is not unrelated, moreover, to the strictures voiced by Professor Ripley in the last two or three years against the practice of issuing non-voting common stock, with control resting in a chosen inside group, while the real owners of the companies have no voice in the management of the company.

The British system of company control is somewhat different from the American system in that the directors are usually not officers or active executives of the company. The management is simply a paid officialdom responsible to the directors and the directors represent no one but the shareholders. This differs very materially from the American practice, where the officers are usually directors and where a director who is not an officer or chairman of the board or executive committee often is considered to be in a purely honorary position.

Interests connected with Canadian Canners, Ltd., are of the opinion that the problem of shareholder representation on the board of directors, as distinct from managerial representation, has been solved. The directorate of this company is divided into two distinct groups. One is the managerial group headed by the president and general manager and the shareholders' committee headed by the chairman of the board. The board as a whole, and the shareholders' committee in particular, is concerned fundamentally with only three things: finance, policy and dividends. With directors holding large blocks of stock it is reasonable to expect the shareholders to be equitably treated.

This procedure, of course, is more simple in the case of Canadian Canners where the stock, despite the enormous volume of the company's business, is not particularly widely held, only about 5,000 shares being what may be called trading shares, the remaining 17,000 being rather closely held. The situation might be something different in a company like Brazilian Traction, where there are more than 1,000,000 shares of the common stock held in half a dozen countries.

CLARENCE MACKAY SAYS CABLES NOT HURT BY WIRELESS

Business Increased by 65% During Height of the Competition

EARN MORE THIS YEAR

Four Months of Present Year Shows Higher Earnings For Mackay Company Trust

Recent uneasiness among shareholders of Mackay Companies, resulting from a growing fear that transoceanic cable business may be adversely affected by radio competition, particularly that of beam wireless, is not based upon a firm foundation. Such is the opinion of Clarence H. Mackay, president of the Mackay Companies.

"It is my opinion that no investor should sell cable securities out of fear for radio," says Mr. Mackay.

Mr. Mackay's opinion is expressed in a statement to The Financial Post made in response to a request for information as to whether or not there has been any change in the cable situation since his remarks at the annual meeting when he was optimistic as to the Commercial Cable Company's ability to meet beam wireless competition.

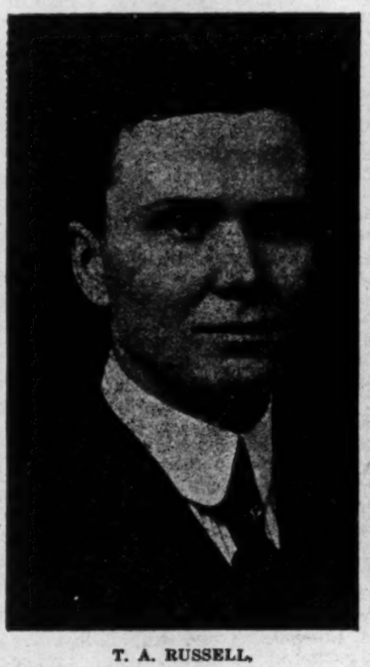
Mr. Mackay says:

"It is true that the radio is competing with the cable companies for transoceanic business, but it is important to bear in mind that during the period of that competition for the five years between 1921 and 1926 the number of paid words transmitted by the Commercial Cable Company increased about 65% in the face of the radio companies reducing rates and using every other means to procure business away from the cable companies. This all substantiates the opinion I expressed in our last annual report with regard to radio competition, the crux of which is that radio will continue to be a factor in the communication field but only as a supplement to the present cable facilities, and is not likely to supplant the cables. In view of this it is my opinion that no investor should sell cable securities out of fear of radio. Radio has naturally attracted a great deal of attention and aroused a great deal of enthusiasm particularly in ship to shore communication and broadcasting, but in the field of transoceanic communication the cables because of the advantage of accuracy, secrecy and reliability will continue to be the principal means of communications.

"While it is true that the radio companies are carrying a certain amount of transoceanic business that might ordinarily go to the cable companies and have in some cases brought about a reduction in rates, the collective earnings of The Mackay Companies based on the first four months of this year will show an increase over those of a year ago."

T. A. Russell is Head of New Group Ruling Sawyer-Massey Co.

Heads Sawyer-Massey



T. A. RUSSELL,
Elected president of the New Sawyer-Massey organization.

H. H. Champ Also is on Board of Revived Concern

CHRISTIE IS MANAGER

Aggressive Sales Advertising Will be Started to Add to Business of Hamilton Manufacturer

T. A. Russell, president of Willys-Overland of Canada and affiliated companies, has been elected president of the new Sawyer-Massey Co. The other five directors of the new Sawyer-Massey Co. are R. H. Mulch, H. H. Champ, Chester J. Harris, G. R. Cottrelle and J. F. Lash.

T. B. Christie, president of the old Sawyer-Massey Co. has been retained as manager of the new company. It is said that Mr. Christie has great ability in the production and technical side of the threshing-machine and road-machinery business.

To Begin Advertising

The new company, it is announced, will begin an advertising and sales campaign in an effort to increase sales to a point where profits will be possible. The old company has been doing a business of between $800,000 and $90,000 annually. It is said that the new company will be able to operate profitably on a gross business of $1,250,000 annually. This will mean the marketing of several hundred threshers and tractors as well as road machinery in fairly large volume.

The new company hopes to do business considerably in excess of the minimum of $1,250,000 annually at which a profit can be shown. It is believed that the road machinery business can be expanded easily in view of the high regard in which the company's equipment is held and the constantly enhancing programmes of road building in virtually every country in the world, and more particularly in Canada. Already, it is said, the company has been fairly successful in the export market with road machinery and it is reasonably anticipated that this business will increase so soon as the effects of aggressive advertising can be felt.

Get Paid in Shares

The Sawyer-Massey threshing machine is considered to be among the best that are manufactured. In Canada, it ranks among the leaders of the half dozen that are made in this country.

The new company took over Sawyer-Massey Co. about a month ago after the sale had been ratified by the shareholders of the old company. The price paid by the new company for the property, including the trade name and goodwill, was 16,500 shares of no-par common stock in the new company, of a total of 50,000 shares which have been issued. The distribution of the new stock among the old stockholders has not been determined on, so far as has been learned.

Dividends on the preferred stock in the old company were in arrears since 1914. The allotment of 16,500 shares in the new company in exchange for title, indicated that the new stock might be distributed as follows: One share of new no-par stock for each share of old preferred and one share of new no-par stock for each ten old common.

Is Able Directorate

It was evident from questions asked at the special meeting of shareholders in April that the preferred shareholders probably would object to this arrangement, many of them holding the view that, in view of the provisions of the

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FAIRBANKS-MORSE PREFERRED CHANGES HANDS AROUND 92

Highest Quotation in Past Seven Years Is Seen

From Our Own Correspondent.

MONTREAL.—The preferred shares of the Canadian Fairbanks Morse Company have changed hands at 92, the highest quotation in the past seven years. With the resumption in April of the 1½ per cent. dividend payments, there seems to be a reasonable prospect for a fairly early liquidation of the 18 per cent. dividend arrears on the stock. Deducting the $18 in arrears from the present market valuation of $92 the stock has a present market valuation of $74. As it is a 6 per cent. stock the shares are now selling at the equivalent of over an 8 per cent. yield basis.

Last year after all charges, the company earned 14.66 per cent. on its $1,500,000 of 6 per cent., cumulative, preferred shares outstanding. The only liability ranking senior to the preferred shares consists of a mortgage of but $185,000. The last balance sheet shows the 82,201 shares of common stock carried opposite the surplus account of $1,949,047.

Since the 1921 deficit in earnings, the company's profits have shown a steady increase until in 1926 there was $324,701 applicable to interest and all other charges. And $220,602 applicable to the preferred shares. The total dividend arrears of 18 per cent. on the preferred stock amount to $270,000. It is understood that the company is doing a satisfactory business this year.

Northern Bakeries is Stronger in Steadier Mart

Stock in Northern Bakeries has been behaving extremely well in the last few days in view of the fact that distribution hardly can have been achieved prior to the weakness in the general market which prevailed in the previous fortnight. The shares have been selling in the late twenties, flirting most of the time with 30.

It is reported that the earnings of the company are on the basis of above $3 the share. This rate is considerably in excess of the rate shown in the prospectus and is a tribute to the new regime. Various economies have been effected, some of them automatically with the severing of the connection with Continental Baking, while business is said to have increased.

National Breweries Maintains Strength

From Our Own Correspondent.

MONTREAL.—The shares of National Breweries are one of the features of an otherwise more or less weak market. The reason for the strength in the stock lies in the fact that the National Breweries is generally considered to have passed through the worst time in its history about a year and a half ago, when the beer war was concluded, and everything surrounding the outlook for the future is satisfactory.

Earnings during the first half of the year show an increase as compared with the first six months of 1926. In 1926 the company earned $4.93 on its common stock, and forecasts of between $6 and $7 per share in 1927 are being freely made.

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Look for Maintenance of Activity in Last Half of Year
Commodity Price Index Advances During June
Western Crop Outlook Favorable for Larger Revenues
Holidays Interfere with Freight Traffic Loadings

EXPECTATIONS among business leaders across the line is that the coming half year will repeat the experiences of 1925 and 1926; in other words, that the moderate slackening of trade which followed the great activity of springtime will in turn be replaced by an increase of trade activity and industrial profits to as high as has yet been reached. Conditions in this country follow very closely those in the States and although they do not parallel one another, certain fundamental conditions agree. Thus, if past records can be relied upon, there is reason for believing that the present high level of business and industrial activity in Canada will be maintained during the balance of the current year.

There are at least four essential conditions, visible to every one, which should help toward sustained prosperity—unusually ample credit, full employment of labor at good wages, low stocks of merchandise, which will compel the placing of new orders of the consuming public requirements rise again, and lastly, but nevertheless important, public confidence and even optimism. While it is impossible to forecast with any degree of accuracy, a continuation of these basic factors will have great influence in deciding the trend of conditions in the months just ahead. Furthermore, reports of various key industries for the first half of this year have all been encouraging. Automobile production is greater than ever before. Primary iron and steel output has recorded improvement. New building values are well up to the high figures of 1926 and railway traffic is of record volume. More indices could be quoted, but the above are mentioned to show that there is justification for the belief that Canadian conditions are inherently sound.

Profits Are Smaller

Although production in practically all major industries is above average profits have not increased correspondingly. On this account, the opinion has been voiced that the situation is not as good as is generally believed. It is true that profits are not as large as they were, but it cannot be gainsaid that production in the aggregate is not as great as in any previous year. Several causes have contributed to bringing about lower profits. Buying for immediate needs only is one of the principal reasons. Keen competition for business is another. The latter has caused price reductions in nearly all commodities and spread between production cost and selling price has constantly narrowed.

In the past year, commodity prices have steadily declined. For the month of June, the Federal index number weighted according to the commercial importance of 236 commodities included in the survey, rose 1.6 points, being 153.5 as compared with 151.9 in May. This was due to higher levels for grain and other farm products. Manufactured goods, on the other hand, continued to decline, but the increase in the former group was sufficient to offset the loss in this direction. The index, however, is still 2.2 points less than at the same time last year.

Crop Outlook Better

Early pessimism regarding the western crop outlook, has now given way to optimism and if recent forecasts are borne out, the financial position of the Western Canadian farmer will be better than at any time since the war-time peak prices. While the acreage planted to wheat has been curtailed this year, owing to unseasonable weather in the spring, the crops have since come along in good style and a very high yield is expected. It will be remembered that the crops last year were not especially good, but returns therefrom did not go to meet debts incurred in previous years, so that the buying power of the farmer was well above the average. Thus, if conditions are repeated this year, buying from western sources will have a marked influence on the industrial activity of Eastern cities, which in turn will make itself felt in the volume of employment.

It is, of course, too early to begin figuring on the revenue from the 1927 crops. It is apparent from the grain exchange movements that conditions in other export countries are not so favorable as in Canada. Last year's grain has been moving along export channels at a steady rate, and little remains to be cleared up. The carryover this fall will likely be smaller than it was last year, so that demand for the new crop will be unaffected. Last year's prices were greatly influenced by the extraordinary crop in the United States, but early advices from that country indicate that a repetition of last year's conditions are unlikely. In the past decade, the United States has gradually been losing its position in the export wheat market, domestic requirements accounting for nearly all the production. Consequently prices are being more and more controlled by the Canadian crop yield, with benefit to the prairie farmers.

As a whole, the inference drawn from the railway traffic report for the week ended July 2 last are encouraging, although the smaller number of car loadings hardly warrants the deduction that there has been any slowing up in activity. Altogether 51,620 cars were loaded, as compared with 64,324 in the previous week and 56,364 in the corresponding week last year. Holidays on the 1st and 2nd interfered with operations. This was noticeable in the case of L.C.L. merchandise, which for the first time in some weeks, showed a decrease. Coming at such period, it has no particular significance.

Since the beginning of the year, cumulative loadings of the various classifications have increased in the aggregate over those of last year. Coke, pulp and paper, other forest products, and ore are still behind last year's figures, but it is possible that some of these items will regain lost ground before the current year is out.

Agricultural Survey

Crop Estimate Low
Growing Conditions Good
Ontario Has Bumper Crops
Fruit Situation Fair

It is somewhat difficult to reconcile the Federal Government's preliminary estimate of grain yields with the optimistic and reliable reports emanating from the West in regard to growing crop conditions. The wheat forecast of 325,075,000 bushels while considerably behind the final figures of 1926, is not so much behind the estimate issued by Ottawa at the same time last year. For wheat the first estimate issued last July was 348,226,000 for the whole of Canada and the final yield totalled 409,811,000 bushels. This result was attained despite the fact that weather during harvest time seriously interfered with operations and was the cause of much loss. The acreage devoted to wheat this year is, of course, about 1,636,000 acres less than in 1926, yet an average yield of just under 15 bushels to the acre seems to be too low in view of present conditions.

Forecasts Encouraging

Even though the preliminary estimate of the wheat yield does not come up to expectations, the forecasts of other grains are more encouraging. Oats are expected to be more bountiful than last year. Flaxseed will be slightly less, while rye will probably be in excess. The following table shows the estimate of the principal grain yields for 1927, together with final figures for 1926:

	1926	1927
Wheat	325,075,000	409,811,000
Oats	389,758,000	383,419,000
Rye	12,169,600	12,113,000
Barley	88,830,000	99,684,100
Flaxseed	5,319,300	5,947,700

Alberta Expects Bumper Crop

It is not possible to determine from the government forecast, the grain yields of the different provinces. Alberta is confidently anticipating one of the greatest yields in its history and though some damage was done to growing crops by bad storms in the past week, the situation has not been materially altered. Reports from Saskatchewan have not been very definite, but it is expected that results will be uniformly good. Some districts in Manitoba have been suffering from too much moisture, but the situation as a whole is better than it was last year at this time.

Reports from the Eastern provinces have been somewhat conflicting. Bumper crops in Ontario are new practically assured. Haying is well on the way towards completion and the yield is one of the best experienced in years. Corn is backward, but otherwise conditions are satisactory. Winter wheat is coming along in good shape and will be ready for cutting in the next week or two. Crops in Quebec have been backward, owing to the late start caused by cold weather. Growth is satisactory, however, but the yield is not expected to approach any record.

Maritime Conditions Fair

Conditions in the Maritime provinces have been only satisactory. Cold weather and excess of moisture in the spring months, held up seeding operations nearly three weeks and on this account, growth has been slow. Prospects for the potato crop in all three provinces, especially Prince Edward Island, are shaping up well.

No reports are available as to the fruit situation. Small fruits have not been so plentiful this year and trouble is expected in marketing the British Columbia pick. Stone and tree fruits are satisfactory, but, with the exception of apple, the yield is not expected to be large.

Business Conditions in United States

The dollar volume of business in the United States during the week ending July 2, as measured by check payments, was smaller than in either the preceding week or the corresponding week of last year, according to the weekly statement of the Department of Commerce. Wholesale prices again receded, reaching the lowest point in the last few years. At 139, the general price index was 39 per cent. above pre-war for the week ending July 2. The price of cotton, however, continued to average higher but was still below a year ago. Although wheat prices declined from the preceding week, they were generally higher than last year. Building contracts awarded during the last week of June in 37 states were larger than in either the preceding week or the corresponding week of a year ago. For the month as a whole, new building awards were substantially larger than in 1926.

Interest rates on both time and call money averaged higher than in the preceding week. Time-money rates averaged higher also than a year ago, while call-loan rates were lower. The Federal reserve ratio receded from the previous week but was higher than last year. Stock prices again declined but were substantially higher than last year. Business failures were less numerous than in the preceding week but larger than a year ago.

The production of bituminous coal during the week ending June 25 was larger than in the preceding week but smaller than in the corresponding week of last year. Beehive-coke production showed a decline from both the previous week and the same week of 1926. The production of lumber, although larger than in the previous week, was smaller than a year ago. The output of crude petroleum again reached a new high record. Receipts of cotton into sight were running twice as heavy as a year earlier. Receipts of cattle at primary markets were smaller than a year ago, while hog receipts showed an advance.

Saskatchewan Crops Continue To Make Splendid Headway

From Our Own Correspondent.

REGINA—Telegraphic reports received by the Saskatchewan Department of Agriculture over the week-end, indicate that weather during the last two weeks has been very favorable for growth, and crops have made good progress. The wheat although later than last year, has made good growth and has a healthy appearance with the early wheat coming into the shortblade, and a small percentage beginning to head. Coarse grains although late are also reported to be in good condition.

Cutworms are disappearing and have not done any material damage. The crops so far have been fairly free from disease. Rains have fallen in most parts of the Province during the last two weeks, and no reports of lack of moisture have been received. A heavy rain occurred on July Ninth in several districts, and at some points in the southern part, it was accompanied by hail, which did some damage.

Sweet clover is in good condition and generally expected to yield a heavy crop of hay. Summer fallowing although delayed by rains is now about seventy-five per cent. completed.

Reindeer Company for Alberta

Raising reindeer for commercial purposes in Canada will be undertaken this year by the Dominion Reindeer Co., with headquarters at Vancouver; the company having imported some 5,000 head of reindeer from Alaska. This herd will be located on the vast grazing areas between the Athabaska and Great Slave Lakes on three million acres secured for that purpose.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—				
Pig iron, tons (May)	78,987	72,762	334,276	300,010
Steel, tons, (May)	96,711	89,513	427,370	349,907
Newsprint cwts. (May)	171,819	153,969	826,083	735,152
Automobiles (May)	25,708	24,934	107,600	103,127
Boots and shoes, pair (May)	1,480,003	1,352,720	7,372,268	6,987,373
Flour, bbls. (Feb.)	1,281,000	1,440,000	2,727,000	2,862,000
Construction—				
Contracts awarded (April)	$38,582,300	$37,292,000	$92,336,700	$83,218,000
Building permits (May)	$20,532,147	$18,504,296	$62,973,761	$60,042,369
Labor—Employment index (June)	105.9	101.0	....	....
Transportation—				
Car loadings (to July 2)	51,620	56,364	1,569,296	1,485,072
C.P.R. gross (May)	$15,214,360	$15,492,758	$73,571,659	$69,693,817
C.P.R. net (May)	2,031,630	2,448,876	10,747,847	11,129,583
C.N.R. gross (May)	$22,864,398	$23,021,017	$107,153,564	$102,346,994
C.N.R. net (May)	2,769,759	3,329,230	13,424,222	13,530,154
Population—				
Emigration (April)	6,225	....	21,516	.....
Immigration (April)	35,441	......	65,397	.....
Trade—(May)—				
Imports	$94,412,439	$86,052,253	$432,839,530	$395,432,375
Exports	$109,782,531	$91,339,823	$455,353,901	$486,164,567
Imports of key products (May)—				
Rubber, lbs.	5,644,143	......(12 mos.)	52,835,777	46,759,318
Cotton, lbs.	10,129,213	......(12 mos.)	139,187,978	128,765,253
Sugar, $	3,983,427	......(12 mos.)	41,662,974	34,729,252
Petroleum, gal.	49,049,108	......(12 mos.)	700,549,200	588,066,760
Coke, tons (May)	173,727	159,390	850,719	782,939
Exports of key products (May)—				
Newsprint, (cwt.)	2,998,475	......(12 mos.)	35,943,499	30,305,945
Automobiles (pass.) (No.) (Mar.)..	6,512	8,033	15,405	17,729
Wheat, bus. (May)	28,698,115	18,971,018	89,267,495	66,503,108
Wheat Flour, bbl.	804,468	725,852	3,770,970	4,268,133
Finance—				
Failures, number, (May)	127	124	752	715
Failures, liabilities, (May)	2,235,675	2,065,385	11,920,951	11,856,499,734
Bank Debits (May)	$2,986,235,659	$2,415,275,589	$13,138,481,883	$11,856,499,734
Bond sales (May)	42,500,616	42,595,348	209,959,436	292,470,099
Bond sales (June)	77,605,244	50,175,825	279,108,513	340,438,862
Stock prices index (July 2)	....	....	332.3	179.9
Insurance sales (May)	$44,553,000	$37,703,000	$201,578,000	$184,183,000
Wholesale prices (1913-100))—				
General index (May)	....	....		
Pig iron	....	....	151.9	156.8
Cotton	....	....	143.6	144.1
Grains	....	....	127.2	153.6
Cattle	....	....	181.4	188.4
Rubber	....	....	133.9	108.5
			64.7	74.2

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with THE WEST INDIES

THE Bank of Montreal holds an interest in Barclays Bank (Dominion, Colonial and Overseas), formerly The Colonial Bank, an institution that for generations has been established in the chief centres of the West Indies and British Guiana.

By reason of this association, the Bank of Montreal is able to offer its clients close competitive rates and complete banking service for business with the West Indies, among the important advantages offered being facilities for obtaining accurate local information.

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Established 1832
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808

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Has he a "solvent" estate — is there a commercial protection policy on his life as well as fire insurance on the stock you have sold him?

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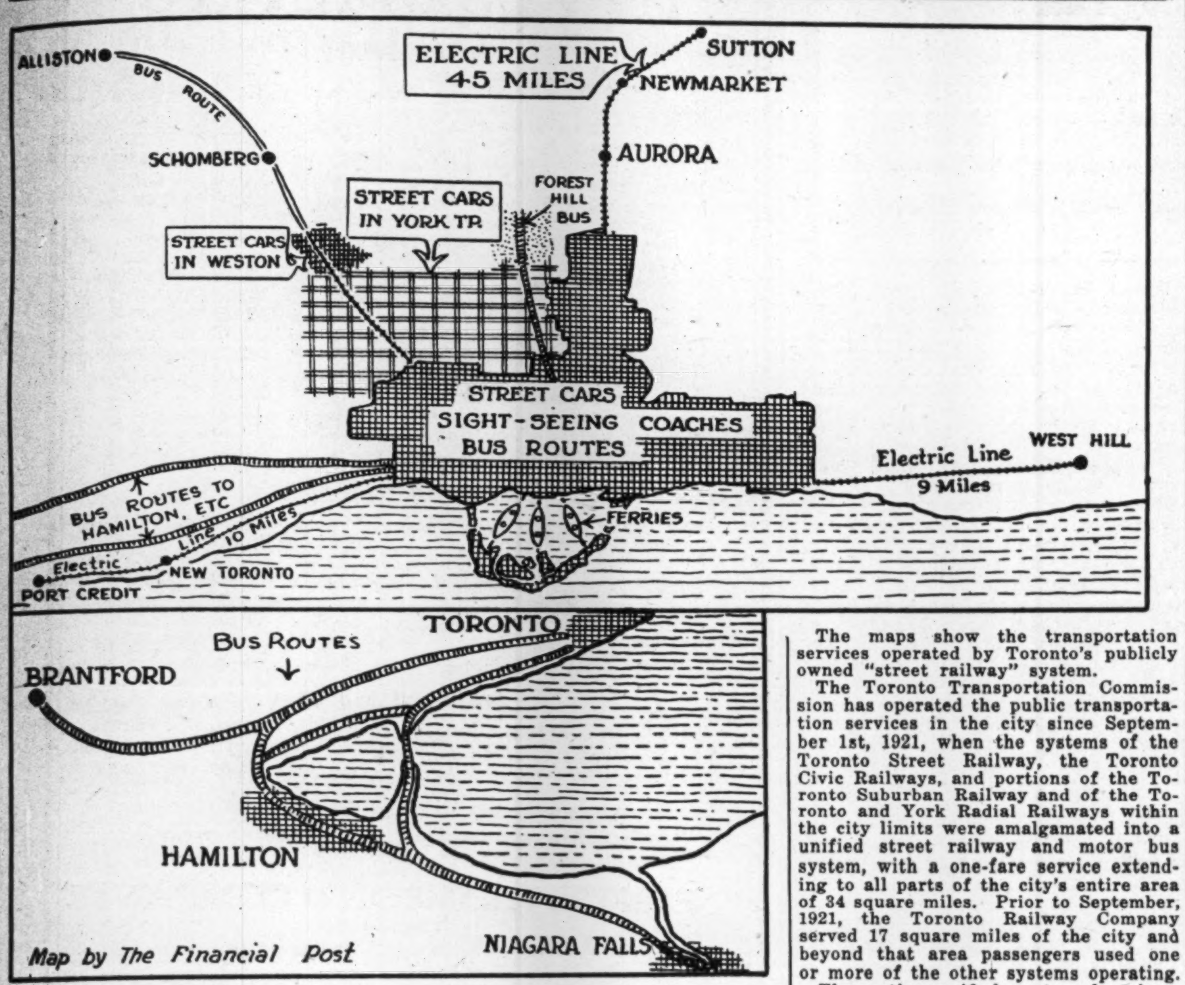
How Toronto's Publicly Owned Street Railway Branches Out



The maps show the transportation services operated by Toronto's publicly owned "street railway" system.

The Toronto Transportation Commission has operated the public transportation services in the city since September 1st, 1921, when the systems of the Toronto Street Railway, the Toronto Civic Railways, and portions of the Toronto Suburban Railway and of the Toronto and York Radial Railways within the city limits were amalgamated into a unified street railway and motor bus system, with a one-fare service extending to all parts of the city's entire area of 34 square miles. Prior to September, 1921, the Toronto Railway Company served 17 square miles of the city and beyond that area passengers used one or more of the other systems operating.

The entire unified system has been completely rehabilitated since September, 1921.

Besides the universal fare city system, the T.T.C. operates the following services:

"Hill" Coach Route

The "Hill" Coach Route is a special fare service operated by the T.T.C., with motor coaches providing a regular service between the "Hill" residential district and the downtown business area. The "Hill" route fare is 15 cents cash, or 8 tickets for $1.

"Gray Line" Sightseeing

The T.T.C. is the local member of the Association of Gray Line Sightseeing Operators, a co-operative advertising and service association of sightseeing motor coach operators with members in almost every large city in America and Europe, giving a universal high standard of city sightseeing service. T.T.C. Gray Line Sightseeing coaches provide sightseeing service all year in Toronto.

Special Coach Services

Coach service is provided between downtown Toronto and the Canadian National Exhibition, and various race tracks in and near the city. Special services are also supplied for crippled children between their homes and the Orthopaedic School, and also for some pupils in outlying districts to city schools.

Toronto-Niagara Falls-Buffalo

Travel between these cities and intermediate points is served by the Gray Coach Lines operated by the T.T.C. Motor Coach Department with coaches designed and equipped for this service.

Chartered Coaches

An increasingly popular method of travel for groups of people on picnics, lodge visits, excursions, athletic events, and other outing is by chartered motor coaches. This service is provided by the T.T.C. Motor Coach Department. As many as 2,500 people have been transported to and from one industrial picnic by chartered T.T.C. coaches and the distance for which this mode of travel is suited appears to be unlimited.

Radial Lines

The former Toronto and York Radial Railways, owned by the City of Toronto, and extending 8.37 miles westerly to Port Credit, 48.66 miles northerly to Sutton, and 8.35 miles easterly to West Hill, have been operated by the T.T.C. under agreement with the city since January, 1927. Two picnic and amusement parks served by the radials are also operated by this department—Bond Lake Park, of 200 acres, and Scarboro Heights Park, of 58 acres.

York-Weston Street Railway Systems

The street railway systems of the Township of York and the Town of Weston, adjacent to Toronto, are owned by the municipalities served and are operated by the T.T.C. These systems are financed by the owning municipalities, while the T.T.C. supplies and operates the necessary service equipment on a rental basis.

Island Ferries

The Island Ferries, serving the group of islands about two miles off shore and owned by the city, were transferred to the T.T.C. for operation under a special agreement in the spring of 1927. The amusement park at Hanlan's Point, served by the Ferries, is also controlled by the T.T.C.

Forest Hill Bus System

Under agreement with the Village of Forest Hill, another municipality adjacent to Toronto, the T.T.C. operates the Village of Forest Hill Bus System.

Toronto Citizens Own Country's Largest Bus-and-Coach Line

Toronto Transportation Commission Operates 117 Buses and Coaches in and out of City Limits

Last Saturday 65 buses carried a parade of picnickers to a pleasure park twenty miles from Toronto. All of the buses were owned and operated by the City of Toronto. Toronto is now the largest bus operator in Canada. Citizens of Toronto, through the Toronto Transportation Commission, own and operate a fleet of buses that now totals 117 and is growing almost daily. The buses do not restrict themselves to provide transportation service within the city of Toronto, but operate on routes that stretch out as far as 100 miles from Toronto.

Take Over Competing Lines

The total of 117 buses in operation has been reached by the acquisition of two bus services formerly competing with the T.T.C. outside of Toronto. In the purchase of the White Star Lines and the Lake Shore Transit Company, with a total of over 30 buses, the City of Toronto brought its bus operations to the point where they represent an investment, in rolling stock and garages, of a million and a half dollars, and where the annual income from the carrying of passengers will exceed a million dollars.

Sit Up and Wonder

Even in Toronto, which is the public ownership stronghold of the North American continent and where the Bell Telephone Company and the Consumers Gas Company are the only public service enterprises that have maintained themselves free from public ownership, the growth of a network of bus lines operated by the citizens' transportation commission has caused not a little surprise to the residents. Some of the city fathers and no doubt many of the citizens have questioned the authority of the Toronto Transportation Commission to purchase two competitive bus lines and then announce the deal to the citizens after it was completed. There are others who question if the T.T.C., which was charged with looking after the street car and other urban transportation services of the city of Toronto, is not going too far in setting up bus routes outside the city limits.

These questions have been raised. The answer of the T.T.C. management is definite. "We are merely following what has been found to be the soundest practice in many cities on this continent," says D. W. Harvey, general manager of the system. "It has been found that it is best for the transportation agency serving a city to control the transportation services running in and out of the city, including bus lines. This enables better service to be given; eliminates friction between city and interurban systems and protects the city system, which otherwise would lose revenue to the bus lines running out of the city."

That is the argument. The T.T.C. management, in extending their bus lines outside the city, feel that they are following sound street railway practice. Whether their owners are a group of shareholders or a group of citizens is, in their viewpoint, beside the point.

Doing as They Were Told

Apparently then the citizens of Toronto have no reason to complain when the operators of their transportation system, which has been built up by a $50,000,000 investment of public funds, decide to expand the service in many directions beyond the limits of the street railway system taken over from private owners six years ago. They have given their transportation commission a mandate to build and operate a unified, symmetrical transportation system for them. If this involves the city in a larger investment than any one expected was possible; if it means that new transportation services have to be established that were formerly unheard of, or at best in their infancy, that is an inexorable pursuance of public mandate.

Bus Services Grow Rapidly

The T.T.C. first operated a bus service on September 20, 1921, when a "fleet" of four solid-tired buses ran a total of 42 miles. At first buses were operated as feeders to the street railway system, serving districts that were not provided with street car lines. In time the services expanded into regular routes. Now the T.T.C. operates bus and coach routes in and out of the city.

There is a real distinction between buses and coaches. The buses—of which there are 27—operate throughout the city as part of the one-fare system and transfers are made to and from other buses and street car lines.

The coaches operate either in the city on well defined routes and where a special fare is charged in interurban traffic; or on the sight seeing and especially chartered runs.

Lines Outside City

Outside the city, a bus line is operated in the village of Forest Hill, under an arrangement between the village and the commission that provides for a service-at-cost operation.

Outside the city, coaches run to Hamilton by two routes, stopping at most intervening points, except where they are in competition with the privately-owned electric railway system of Hamilton, and are for that reason not allowed to carry local passengers. Coaches run to Brantford and to Niagara Falls. Niagara Falls is 100 miles from Toronto. The service is provided chiefly as a sight-seeing feature, to win tourists for Toronto. Ordinarily the T.T.C. does not expect to operate coach lines so far from Toronto.

The special service coaches carry hundreds of sight-seers every day within the city limit. The Toronto Transportation Commission has corralled practically the whole sight-seeing bus service of Toronto. The buses are linked with the association of Gray Line operators which operates a mutual service organization including sight-seeing lines in twenty American cities, three or four Canadian cities and a number of foreign centres. The advantages of the link with this organization include a large amount of advertising that books parties for Toronto.

T.T.C. coaches are used by tourist agents bringing parties to Toronto, for transferring tourists from the boats to the hotels. One agent brings approximately 400 tourists a day during the Summer months, from Niagara Falls. Their itinerary includes a sightseeing tour of Toronto.

Chartered Trips Are Popular

Every day many T.T.C. coaches are chartered by societies and other groups of people for private trips to points outside Toronto. Last winter one organization chartered 32 coaches to carry an excursion of 965 people to see the illuminated ice formations at Niagara Falls. The Goodyear employees' annual picnic is the largest chartered coach contract. Last year T.T.C. coaches carried approximately 2,500 Goodyearites from New Toronto to Lasalle Park, near Hamilton, and return. This year 65 coaches took the party to Eldorado Park. Trips of over 200 miles return are not uncommon.

Operate Through Subsidiary

Toronto Transportation Commission has incorporated a subsidiary company to operate its coach lines. This company is incorporated with capital of one million dollars. This also is in pursuance of the approved practice of private street railway systems. All of the stock, with the exception of some stock held by officers is owned by the Toronto Transportation Commission. It is stated that the stock held by officers consists merely of qualifying shares for their directorate, but the number of shares so allotted is unknown.

It is not proposed to earn dividends on the stock outstanding in the coach company. Rather the purpose is to make the coach line self-supporting; to provide that they shall earn no series of surpluses and incur no series of deficits.

Toronto-Owned Buses Last Word in Luxury

One of the luxurious motor coaches operated in special services by Toronto's civic-owned transportation system.

Western Tree Planting Active

H. W. Lennox, Inspector for the Dominion Forestry Branch at Indian Head, says: "The demand for trees has been insistent from all over the west. This year we have orders for 8,000,000 as against 6,000,000 in 1926." Following his tour of the west he said: "I find generally a more settled feeling. People are planning for the future. The old days, when farming was a here to-day and gone tomorrow affair, have disappeared. Farmers are planting trees and wherever a grove of trees is found, there you will find contented homes."

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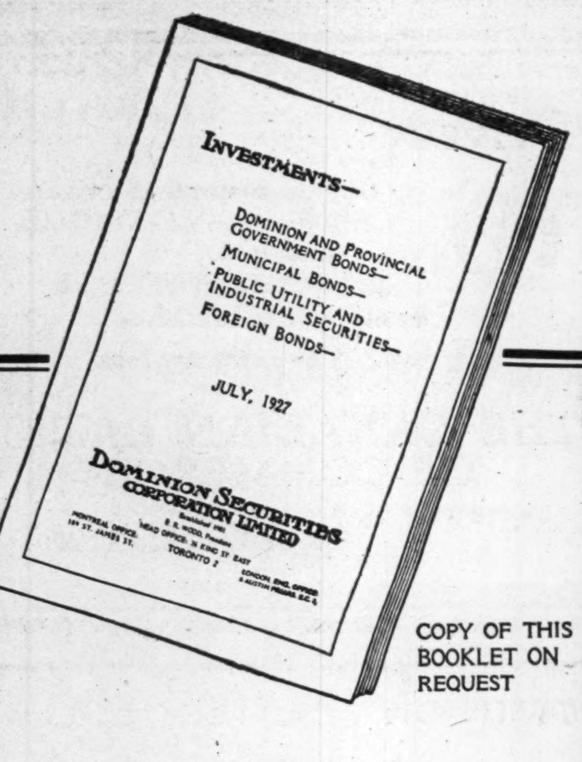
INVESTMENTS—
DOMINION AND PROVINCIAL GOVERNMENT BONDS—
MUNICIPAL BONDS—
PUBLIC UTILITY AND INDUSTRIAL SECURITIES—
FOREIGN BONDS—
JULY, 1927
DOMINION SECURITIES CORPORATION LIMITED

COPY OF THIS BOOKLET ON REQUEST

DOMINION SECURITIES CORPORATION LIMITED

MONTREAL OFFICE
189 St. James Street

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E. R. WOOD, President

LONDON, ENG., OFFICE
No. 6 Austin Friars

Head Office: TORONTO 2, 26 King St. E.

Stock Markets Do Well Despite Summer Slump

The Canadian stock markets have been behaving reasonably well in the last week or ten days. After a period of liquidation in certain of the more speculative stocks, a period of steadiness apparently has developed, which leads to the hope that the course of progress will not be blocked in the next several months.

From Montreal, in the last few days, have come a number of rather pessimistic opinions based on spotty conditions in business in the United States and the fact that the New York market is acting uncertainly in some particulars. But Montreal market operators probably have reason to be more pessimistic than the rest of the country for the reason that the market there was late in getting into two or three of the Canadian stocks which have advanced at a great pace in the last several months. It is apparent that Montreal was late in getting into Nickel and late in getting into Massey-Harris and possibly into Walker's. The result was that the reaction, coming so soon after commitment, caught a number of investors at an embarrassing time.

Steel Orders Increase

It may be pointed out that Montreal observers who bolster their opinions of conditions in the United States, have failed to note that the latest report shows an increase in the unfilled tonnage orders of United States Steel Corp., where a decrease was expected. In other quarters, it is reported that consumption of commodities continues at a high rate. Building is active. Building is one of the fundamental industries.

The present market may have degenerated into one of summer dullness. But there is no reason that the outlook is bad. Those who play with stocks for quick turns may have reason to be pessimistic with regard to the next week or month, for the reason that summer dullness cannot be expected to be ended until fall, and there is a tightening of money.

There is every reason for optimism from East to West. Never have the prospects been so good and seldom have the realities been so gratifying. Investors who exercise ordinary prudence in selecting their purchases and remember the adage which abjures the placing of all one's eggs in one basket can look to the future with confidence. Patience may even replace cash in some degree.

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of July 13	97.9	95.1
Week of July 6	96.9	91.5
Month of July, 1926	77.6	74.5
9 Bank Stocks		
Week of July 13	$257	$253
Week of July 6	253	251
Month of July, 1926	226	223
10 Public Utilities		
Week of July 13	110	108
Week of July 6	110	105
Month of July, 1926	94	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	7	1	1	9
Paper	9	2	3	14
Steel	8	12	20	40
Foodstuffs	17	12	17	46
Utilities	8	5	15	28
Tractions	3	3	8	14
Industrials	15	11	34	60
Textiles	4	3	10	17
Total	71	49	108	228

Seek Ways to Evade Anti-Publicity Rule

Will brewers and distillers in Ontario evade that province's prohibition of liquor advertising by advertising in papers published outside, but circulating within the province?

The Toronto representative of a Montreal paper states that he has received enquiries as to the Ontario circulation of his paper, and states also that his paper has been asked what cut rate it would be willing to grant to Ontario liquor firms, the cut rate to be such as to enable the firms to advertise at modest cost to the Ontario subscribers of the paper in question.

Of course it would not be mentioned in the advertisement that the liquor advertised was on sale by the Ontario Liquor Commission. And there would have to be some "reason" for using a Montreal paper, such as sale by the Quebec Commission of the liquors in question. Violation of these considerations would no doubt bring about reprisals from the "strong man" of Ontario liquor.

However, the brewers and distillers expect the advertising ban to be lifted as public opinion grows to realize its futility.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bdge 7s '55	107¾	108¾
Do., 8s '45	106¾	107¾
Buff Gen Elec 1st 5s '39	103½	...
Bfo N & E Pow 5s, '30	102	103½
Lockport L H & P 5½ '54	102¾	103¾
N. F. 1st & Com. 6s 1950	105	106
Niagara Falls Pw. pf.	28	29
Niag. Lock & Ont. pf.	113	115

The Royal Bank of Canada

DIVIDEND No. 160

Notice is hereby given that a Dividend of Three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of September next, to shareholders of record at the close of business on the 30th day of July.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., July 12, 1927.

For Summer Comfort!

Tropical Weight English Worsted SUITS $35

Flannel Suits-$35

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How Besco Shares Were Voted on Wolvin Reorganization Plan

	Shares Outstanding	% Voted	Shares Voted	For	% For	Against	% Against
1st Preferred	80,321	56	44.885	38.604	86	6.281	14
2nd Preferred	573,500	68	391.248	209.337	53	181.911	47
Common	244,500	44	107.519	82.168	76	25.351	24

Just under 60 per cent. of all shares outstanding were voted at the special general meeting.

Necessary to carry; 75% of each class voted. Plan was defeated by second preferred shares.

ORDER TO WIND UP DOM. STEEL DOES NOT MEAN LIQUIDATION

(Continued from page 1)

will be a period of watchful waiting, with suggestions and instructions issuing from time to time from the liquidator. The effect simply will be that the operating managers of Dominion Coal Co., Cumberland Railway & Coal Co., Dominion Shipping Co., James Pender & Co. and Sydney Lumber Co. will have a new boss in the somewhat nebulous personality of a trust company by the court rather than in the colorful personality of Roy M. Wolvin.

Dominion Iron & Steel of course, will continue to be operated by men under National Trust Co. But as National Trust Co. suggested that Royal Trust be named liquidator of Dominion Steel, it can be assumed that there will be the fullest co-operation both as to operating problems and in the interchange of facts and information.

Besco Owns Common

The capitalization of Dominion Steel Corp. is $43,000,000 of preferred stock, all of which is owned by British Empire Steel Corp., and $7,000,000 of preferred stock of which $2,294,500 is owned by British Empire Steel Corp. The only funded debt of Dominion Steel is $2,000 in debentures, in the hands of private investors. Dominion Steel Corp. owns no physical property, being purely a holding company. Its assets consist of stocks in the various subsidiaries. If Dominion Steel Corp. is to be wound up, the assets would be distributed among its shareholders. Besco would get some by virtue of its ownership of more than a third of the preferred stock and all of the common, if the distribution of assets gave any value to the common stock.

All of the stock of the three minor subsidiaries of Dominion Steel—Dominion Shipping, James Pender and Sydney Lumber—is owned by Dominion Steel but in both Dominion Coal and Dominion Iron there is a considerable public investment interest.

With Besco itself having been given authority to carry on—such authority being invested in the refusal of the court to grant the liquidation petition—and Dominion Steel being under the court through a liquidator, the fundamental change in the situation is simply that the liquidator becomes actively in control instead of the president of Besco. Assuming that the case is not changed by appeal, British Empire Steel Corporation. henceforth becomes only the holding company for Nova Scotia Steel & Coal Co. and its subsidiaries, and for Halifax Shipyards, which is a direct subsidiary of Besco.

Much water will flow under the bridges, though, before the Dominion Steel Corporation is finally wound up, or reorganized for, as has been intimated by the president, the Besco management appeal will probably take many months before it is finally disposed of and in addition National Trust and Royal Trust do not consider themselves charged with responsibility to wind up the companies at once. The Dominion Coal, is, it is understood, making satisfactory progress at the present time. This company is practically wholly owned by the Dominion Steel Corporation, which, while it has a satisfactory asset in Dominion Coal, also has a liability to its other subsidiary, the Dominion Iron and Steel, for it has guaranteed some of the consolidated mortgage bonds of the latter.

Dominion Coal Co., it has been asserted, has been making money by selling coal to its stepbrother, in receivership, Dominion Iron. The present management of Besco apparently has been laboring in the hope that the coal properties could be retained and steel properties could be ignored until such time as there were coal contracts to be considered. It has been held by many who see the problem of the industry as a national—rather than a purely financial—matter that the two properties must be kept together, operating as a unit. It is pointed out that the retention of the steel properties in Nova Scotia furnishes a needed market for the coal companies and that these markets would be materially curtailed without the steel companies in operation near the mouth of the mines. Loss of the steel mills and a curtailment in mining would be a blow to the Maritime Provinces it is said, which would seriously threaten confederation.

Mr. Rhodes Speaks Out

The prime minister of Nova Scotia, the Hon. E. N. Rhodes, voiced this opinion following the announcement of Justice Chisholm's decision. The verdict, he said, "gave much comfort to the government and people of Nova Scotia."

"For some time it has been apparent to the Government that a re-organization of the coal-steel industry of the province has been necessary. At the same time in consequence of the application for receivership pending before the court, the Government has been precluded from making any public statement. Nevertheless all events affecting the well-being of the industry have been followed up and have received the Government's closest attention.

"Now that the matters before the courts have been disposed of by the filing to-day of the clear judgment of Mr. Justice Chisholm considerable light will be thrown upon the subject for the general public.

"There have been in the past many matters that have militated against successful operation of this industry, comment upon which cannot at this stage serve any useful purpose. At the same time it is evident that plans of reorganization so far put forward by those now controlling the industry have failed to comprehend the necessity for establishing the steel industry of the province upon a firm basis so that it may grow to its true proportions as a great national asset of the Dominion. It is the only steel industry which obtains all its supplies of raw materials within the British Empire, and by its existence alone can Canada hope to become independent in her supply of iron and steel.

"The coal industry has been so interwoven in the steel that it is impossible to contemplate the existence of the one as separate from the other. There is no question of one of those industries carrying an undue burden in supporting the other. The desire of the people of this province is to have these two all-important basic industries operate in co-operation, and thereby carrying on a mutually beneficial existence.

"Any plans of re-organization hitherto brought forward have not disclosed that those supporting them have fully grasped the necessity for unified operation, nor have they had regard to securing either adequate financial resources nor essentially expert management.

"The present situation, whilst regrettable in itself and as affecting the property rights of the shareholders of the several companies, nevertheless gives much comfort to the Government and people of the Province of Nova Scotia, inasmuch as the receivership and liquidation being vested in the National Trust Company and the Royal Trust Company gives the assurance that on the solution of all problems will be brought to bear the best business and financial talent of Canada, and that in such trustworthy and powerful hands we can be assured of a re-established, unified industry, placed upon a sound and enduring basis."

At the meeting held in Halifax to vote on a scheme of reorganization for Besco, as proposed by President Roy M. Wolvin, the plan met with the approval of the required 75 per cent. of the first preferred and common shareholders of the corporation, but whilst a majority of the second preferred shareholders approved the Wolvin plan, the management did not obtain the required 75 per cent. of the votes. Thus, President Wolvin's capital reconstruction will not be carried through.

INVESTMENTS

Public Utility

Bell Telephone Co. of Canada	5%	102.50	4.85%
Canada Northern Power Corp. Ltd.	6½%	103.50	6.18%
Canadian Pacific Railway	4½%	96.00	4.85%
East Kootenay Power Co., Ltd.	7%	105.00	6.46%
Gatineau Power Company	5%	97.25	5.18%
Manitoba Power Company, Ltd.	5½%	100.00	5.50%
Montreal Island Power Company (Carrying warrants to purchase 2 shares Common with each $1,000 bond)	5½%	101.00	5.43%
Montreal Tramways Company, Ltd.	5%	99.75	5.02%
Montreal Tramways Company, Ltd.	5%	96.25	5.25%
Montreal Light, Heat & Power	5%	100.50	4.95%
Northern Canada Power, Ltd.	6%	102.75	5.75%
Northwestern Utilities, Ltd.	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd.	6%	105.00	5.60%
Ottawa River Power Co., Ltd.	6½%	104.00	6.20%
Southern Canada Power Co., Ltd.	5%	99.50	5.05%
Winnipeg Electric Co., Ltd.	6%	101.00	5.90%
Winnipeg Electric Co., Ltd.	5%	100.00	5.00%

Industrial

Aluminum Company of America	5%	100.00	5.00%
Canada Paper Company	6%	101.00	5.90%
Canada Steamship Lines	5%	100.25	5.50%
Canada Steamship Lines	6%	99.00	6.15%
St. Lawrence Paper Mills, Ltd.	6%	99.00	6.10%
St. Lawrence Paper Mills, Ltd. (Cum. warrants)	6½%	101.50	6.26%
Windsor Hotel Company	6½%	105.50	5.95%

Preferred Stocks

Eastern Dairies, Ltd.	7%	99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd.	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd.	7%	100.00	7.00%
Power Corporation of Canada, Ltd.	6%	96.50	6.22%

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International Offer on Humber Mill Accepted

From Our Own Correspondent.

MONTREAL. — The premier of Newfoundland has informed the legislature that negotiations with the International Paper Company for the purchase of the Newfoundland Power and Paper Company are practically completed. A bill will be introduced very shortly in the Newfoundland legislature authorizing the transfer of the property.

The International Paper will probably acquire valuable concessions from the government in return for acquiring the Cornerbrook plant—just what these concessions include has not been divulged yet. But they will probably be large for the Cornerbrook plant has not been able to earn the interest charges on its £4,000,000 debenture issue, half of which is guaranteed by the British government, and half by the Newfoundland government.

Thus the 400 ton newsprint plant is a liability of the Newfoundland and British governments. When the International Paper acquires the mills, the 100,000 h.p. developed power site and the pulpwood limits, it will assume the obligations of the mortgage debentures and thus relieve the two governments of meeting the interest charges.

Ranking junior to its debenture issues the company has a high capitalization of $10,000,000 in preferred, $6,000,000 in ordinary and $5,000,000 in deferred stock.

Kennedy No. 25 Gearless Gyro Crusher for Porcupine Paymaster Mine.

Write our nearest office for specifications, production facts and prices.

Production Proofs from Porcupine Paymaster Mine

THE capacity of the Kennedy Gyratory Crusher to take ore from the primary crusher and deliver it suitable sized to the ball mill proved so extraordinary at the Porcupine Paymaster Mine that a set of rolls has been eliminated.

Any Kennedy Gearless Crusher is guaranteed to produce double the capacity of any geared crusher of equal size and save 80% in maintenance with decidedly less power. Being gearless, they run at great speeds from a single belt or rope drive, they are practically dustproof, and will handle perfectly both dry and wet ore and rock.

Sole agents for Canada for Kennedy equipment

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KENNEDY VAN SAUN PRODUCTS
Ball Bearing Gearless Gyratory Crushers, Jaw Crushers, Roll Jaw Crushers, Heavy Duty Rolls, Spring Type Spiked Tooth Coal Crushers, Continuous Bucket Elevators, Rotary Screens, Pulsating Screens, Grizzlies, Coal Pulverizing Equipment for Power & Metallurgical Purposes. Sand Washing Classifiers, Air Swept Mills, Improved Challenge Feeders, Combined Disc and Plunger Feeders, Standard Bottom Draught Bin Gates, Tower Dryers, Rotary Dryers, Indirect Heat Dryers, Rotary Kilns, Rotary Coolers, Wet Grinding Tube Mills, Sample Grinders.

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THE MAKERS OF FAIRBANKS SCALES AND VALVES

Canada's Capital Needs Unlikely to be Supplied at Present by London

In view of the large amount of refunding to take place this fall by the Dominion, provincial and municipal governments, the attitude of the English market in regard to Canadian securities again comes to the fore. For some months past, English capitalists and representatives of British bankers have been in this country with a view to investing or recommending investment in things Canadian. Whether or not anything tangible will result from these visits is difficult to forecast.

Since 1920, capital requirements of Canadian governments and corporations have averaged nearly $500,000,000 a year. Of this sum, a very small percentage has come from Britain. The Grand Trunk mix-up has not been forgotten, nor will it be forgotten for years to come. On the other hand, British bankers, even if they were willing to take up new government or corporate issues, could not meet the competition of New York.

An English Opinion

Although Canadian corporations, in the main, cannot secure as good a price for their securities in London as they can in Canada or New York, there are certain differences in the markets which should be given consideration. The London representative of The Financial Post, asked a prominent English financial house, closely connected with Canadian affairs, its opinion as the probability of British capital coming to Canada in the near future. One of the partners replied:

"In the case of first-class Canadian bonds—and in particular government, provincial, municipal and public utility issues—the prices at which new offerings of securities could be made would probably be higher in Canada than here. This is no doubt due to the fact that London, being an international market, has a wider range of issue to offer investors than is the case in Canada — where the number of issues is limited and where there is also a fairly good demand from American investors. In the case of industrial undertakings these remarks would also apply in many instances, and we have ourselves known of certain issues of first-class industrial concerns in Canada being made on about a 5½ per cent. basis, which we think would not have been possible in London. It would be necessary for a Canadian industrial company to offer a slightly better yield than 6½ per cent. for a debenture issue here.

"As regards good preferred stocks, we think it would probably be possible to make offerings in this market at or about the same level of prices as in Canada, where there are a number of reasonably well-secured preferred shares selling to yield close on 7 per cent.

Advantage to be Gained

"There is, however, a considerable advantage to be gained by Canadian companies coming to this market for at any rate a part of their requirements, because experience shows that it is possible to place a security here very much more firmly than can be done in Canada, and by reason of this fact — after an issue has been made—the price tends to improve and this in turn makes it possible for a company to finance any of its subsequent requirements on a cheaper basis than was originally possible. As an instance of this, we would direct attention to the St. Maurice Valley Corporation 7 per cent. preference shares. An issue of these shares of the denomination of $100 each was made in Canada, and simultaneously an issue was made here in the form of $5 shares, with a fixed Sterling equivalent of £1, and transferable on a register kept in London. These £1 shares are to-day quoted in the neighborhood of 21 shillings, or say 105 per cent., and have appreciated to this figure probably because they are more widely and firmly placed than the issue in Canada. On the other hand—the Canadian issue of $100 shares is selling at only 98 per cent., and if the company found it necessary to put out any more of these shares, they would probably be placed in London at a better basis than in Canada.

"....It is a wise and farseeing policy in the case of a company which is likely to want future financing to place some of its original issues here and get its credit well established on the London Stock Exchange."

Difference in Prices

Insofar as new financing for the balance of 1927 is concerned, it is not expected that any capital will come from British investors. New York is the logical market at present for those issues, which cannot be successfully floated in Canada. In this connection, the Wall Street Journal says that at recent high of New York bond prices, the general level was close to that of London, but there is now sufficient margin to leave a fair profit. There is also a difference of taste in foreign bonds which explains a wider divergence on prices of specific issues in the two markets. London generally gives a better rating to Dominion issues than New York. But Canada does better in New York and for the moment the Australian Commonwealth also is somewhat higher there.

The same situation applies to certain other foreign issues in the New York market. Some South American countries are rated higher in one market than in the other. Brazil bonds are more favored in London, and Chilean regarded more highly in New York. Following are yields on half a dozen issues in Sterling and yields in New York on dollar issues of the same countries and cities:

	New York		London	
Australian Commonwealth	5s	4.61%	5½s	5.05%
N. S. Wales	5s	5.81%	5¼s	5.2%
Berlin	6½s	6.7%	6s	6.1%
Japan	6½s	6.5%	6s	7.26%
Tokyo	6s	6.9%	5s	7.9%
Brazil	6½s	7.1%	7½s	6.94%

American Market Favored

It will be noted that this comparative list does not include Canadian issues. At present there are few recent issues of this country listed on the London market and consequently comparison is difficult. American bond houses will undoubtedly take care of the principal share of new financing or refunding carried out by the Dominion for some time to come. Even though a change takes place in the attitude of the English investor to Canadian securities, it will be many years before British bankers regain the important position they occupied prior to the war in supplying capital for Canadian corporate and government purposes.

UNLISTED SECURITIES

	Bid	Asked
Burns, P., pref.	98½	..
Brooks Motor, 1 pref. & 1 com	3¾	4½
Can. Machinery, com.	5	7
Can. Westinghouse, com.	170	..
Chase, A. W., com.	5	8
Do., pref	..	75
Dom. Combing Units	12	18
Fanny Farmer, com.	28	29
Do., pref.	29	31
Farmers Dairy, com.	85	..
Farmers Dairy, pref.	99½	103
Goodyear Tire, com.	160	170
Goodyear Tire, 6% pref.	99	100
Goodyear Cotton, pref.	97	103
King Edward Hotel, Deb. B.	59	63
King Edward Hotel, Deb. A.	70	74
Loew's Buffalo, pref.	37	42
Nat. Grocers, 1st pref.	94½	98
Nat. Grocers, com.	1	4
Mortgage Discount, pref.	6	7
Toronto Finance, pref.	3	4
Insurance—		
British America	30	..
Canadian Fire, Full Pd.	100	110
Canada Life	900	..
Canada National	16	20
Capital Life, 20% Pd.	20	25
Casualty of Canada, Full Pd.	175	..
Commonwealth, 10% Pd.	19	24
Confederation Life, 10% Pd.	70	..
Continental Life, 20% Pd.	50	..
Crown Life, Full Pd.	180	..
Dom. of Can. Guar. & Accident	270	..
Dominion Fire	95	..
Dominion Life, 50% Pd.	400	..
Excelsior Life, 30% Pd.	73	..
Federal Fire, 25% Pd.	27	..
Fidelity of Canada, Full Pd.	120	135
Great-West Life, Full Pd.	425	450
Imperial Life, 85% Pd.	350	..
Manufacturers Life, 40% Pd.	250	..
Monarch Life, 10% Pd.	37	40
Montreal Life, 20% Pd.	51	58
National Life, 25% Pd.	70	74
Ontario Equitable, 10% Pd.	29	30
Security Life, 40% Pd.	..	22
Sovereign Life, 25% Pd.	37	42
Sun Life, 75% Pd.	900	1100
Toronto Casualty	28	..
Western Assurance, Full Pd.	33	..

AYRES SEES BRIGHT PROSPECTS IN U. S. A.

But That Does Not Mean That Business Will Be Brilliant, Says Cleveland Expert

Business prospects in the United States are bright rather than brilliant, according to Col. Leonard B. Ayres, of Cleveland.

"Steadily increasing competition in both industry and finance has characterized general business during the first half of 1927," says Colonel Ayres, in mid-July letter: "The volume of industrial output has been large in most lines, and in many of them a little greater than current demand. As a result the general trend of commodity prices has been a declining one. As a consequence industrial and commercial competition has been keen, and it has been the experience of large numbers of manufacturers, and of perhaps most jobbers and wholesalers, that it required an exceptionally large volume of transactions to make even a moderate profit.

"Employers faced with these conditions have made some reductions in working forces, and this, combined with the declines in commodity prices, has operated to reduce the amount of money in circulation. Each month so far in 1927 the current needs of commerce, industry, and transportation have required decreasing amounts of money, and meanwhile large sums of gold have been sent here from abroad. The combined effect of these developments has been to increase largely the available credit supply, with the result that in this past half year we have had an unusual competition for employment by capital, as well as competition for markets by goods, and some competition for employment by workers.

"The competition of capital has been most evident in the security markets. On the stock exchange the volume of transactions has exceeded all previous records, despite the fact that an unusually active bull market had already been in progress for two and a half years when this year began. Moreover during the past six months the volume of new securities floated has been far greater than in any previous similar period. Another effect of the great credit supply has been to extend and expand the booms in building construction and real estate speculation that were thought to have already run their courses. The probabilities are that these conditions will continue without important change during the rest of this year."

Canada Land Reorganization Scheme Given Approval

At the recent meeting, called in London, England, to authorize a reorganization of Canada Land & Irrigation Company, shareholders approved the scheme of the directors. The company is in liquidation.

C. C. Baker, receiver and manager and liquidator, stated that since the end of December, he had taken over the control of the running of the property again from the Dominion government. The Dominion government had been running the property as his agent for two years up to December, and he was glad to say that the arrangement they had entered into with the two governments had now been completed and the agreements formally signed. Taxation in the future would be on a very much reduced basis. When he took over they were liable for some £20,000 per annum for taxes; today they were liable for about £4,000 per annum. Under the scheme all their liabilities were cleared off, with the exception of $100,000, which was payable to the provincial government in instalments over a period of 15 years, commencing in December, 1929.

Under the new scheme of arrangement, existing holders of stock were asked to put up £30,000 of new capital and to accept an adjustment of their relative positions.

Mr. Baker said that the £30,000 needed to carry on the project was only a trifle compared with the large amount that had been spent on the project, and he thought it was worth their while to risk a little more to save the situation. Through the agency of their trustees and others, he had £21,500 guaranteed, and his contract with the government had been that he should find £20,000. They were, however, asking for £30,000, in case of unforeseen difficulties. He had received applications from 93 stockholders, amounting to £6,597 15s., so that unless the stockholders subscribed more, the guarantors (who were some of the larger stockholders) would be called upon to pay up the full amount of their guarantee.

If the stockholders approved the scheme, he would report such decision to the court, and would obtain sanction to stay the liquidation proceedings. Any stockholder who had not sent in his application, therefore, should do so at once.

Stock Market Record

WEEK ENDING JULY 12

	Div. Rate	Yield July 11	High for wk.	Low for wk.	Close July 12	Close July 5	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	4.94	263	257	263	263	511	263	228
Dominion	12+1	5.41	242	240	241	240	117	244	217
Can. Nationale	10	5.88	170	167½	170	165	89	170	160½
Imperial	12+1	5.55	236	224½	234	224½	96	236	214
Montreal	12+2	4.62	303¼	300	303	300	64	303¼	272
Nova Scotia	16	4.70	341	338	339½	340	156	341	298
Royal	12+2	4.84	290½	287	289	288	279	291	257
Standard	12	5.55	217	212	217	209	63	217	196
Toronto	12	4.80	250	249	250	244	169	250	227
Paper—									
Abitibi, com. (no par)	5	5.31	96	93¾	94	94	429	97¾	82
Do. pref.	7	6.03	116⅛	116⅛	116⅛	116	10	119	113
Belgo-Can., pref.	7	6.79	103	102¾	103	102½	181	105	101
Brompton (no par)	$2	6.25	35	32	35	32	1120	35	31
Fraser, pref.	7	7.25	96½	96¼	96½	96¼	12	99⅞	96¼
Inter. Paper, c. (no par)	$2.40	5.10	47¼	45⅝	47	47¼	18600	60⅞	39½
Laurentide	6	6.45	94½	90¾	94½	90¾	1510	110¾	90
Price Bros., com.	2	3.82	52¼	52¼	52¼	51¼	20	63	51¼
Do. pref.	6½	6.40	101½	101½	101½	101	30	104	100
Smith, Howard, com.	.	...	..	...	...	...	...	68¾	59¾
Do. pref.	8	7.27	110	109	110	110	27	112	103½
Span. River, com.	7	7.10	100	98½	98½	100	490	102¾	97⅛
Do. pref.	7	6.14	114	112½	114	112½	266	116½	110¼
Wayagamack (no par)	$3	4.91	62	58½	62	58½	1028	62	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	⅝	⅝	⅝	½	50	1⅝	½
Do. 1st pref.	.	....	25	22½	22½	21	145	29¼	10
Do. 2nd pref.	.	....	2	1½	2	1¾	1395	4	1
Can. Car & Found., com.	.	...	36	35	35	36	235	50¼	35
Do. pref.	7	7.95	88½	87	87	88	131	94½	86¼
Can. Fairbanks, pref.	6	6.66	..	...	...	...	...	90	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	.	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	60	49
Do. pref. (par $50)	7	5.98	58½	57	58½	59	190	61	45
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.33	..	...	...	...	...	89	83
Dominion Bridge	4+2	3.37	184½	178	178	180½	1315	193½	116¾
Dominion Coal	.	...	77	76	76	79	60	85	69
Dominion Iron, pref.	.	...	1½	1½	1½	2	180	5	1½
Dom. Radiator, pref.	7	6.96	100½	100½	100½	100	10	101¾	100
Dom. Steel Corp., pref.	.	...	30	29	30	30	20	31¼	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	10¾	10	10	10	168	15	9⅞
Do. pref.	7	8.09	86½	86½	86½	87¼	5	95	86½
Massey-Harris, c. (no par)	.	...	37	34⅞	36	35¾	20306	42¾	29
Do. pref.	7	6.42	109¼	108¾	109	109¼	261	109¾	103½
McKin. Ind., c. (no par)	.	...	21½	21½	21½	22½	15	25½	15
Do. pref.	7	7.42	..	...	...	...	...	97	93½
Do. Vot. Trust	.	...	..	...	...	...	...	26¾	15
Ontario Steel, com.	4	4.32	92½	92½	92½	94	5	94	78
Do. pref.	7	6.66	..	...	...	...	...	105	100
Page Hersey, c. (no par)	$3	4.34	69¾	68	69½	68	226	75½	55½
Do. pref.	7	4.99	140¼	140	140	137	113	150	116
Pressed Metals, com.	75c	...	43	40	43	43	25	46¾	34¼
Do. pref.	7	7.77	90	90	90	90	10	90	85
Russell Motor, com.	3	5.00	..	...	...	...	...	60	52
Do. pref.	7	7.07	99	99	99	96	10	99	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.22	134	133	133	134	510	137½	117
Do. pref.	7	5.00	140	138	139	140	25	140¼	127
Milling and Foodstuffs—									
Alta. Pac. Gran, c. (no par)	.	...	22	21	21½	21½	440	27¼	19½
Do. pref.	7	8.14	87	85	88	88	75	92	85
Arnolds, com. (no par)	.	...	14	12¾	12¾	13½	870	26	10½
Do. pref.	7	8.43	..	...	...	...	...	95	83
Atlantic Sugar, c. (no par)	.	...	26	24	26	24¼	565	32	21¾
Do. pref.	.	...	94½	94	94½	94½	130	101¼	90
B.C. Fishing, c. (no par)	$1.25	7.00	19	15¼	18⅞	15½	2713	22	14⅝
Do. pref.	7	8.43	83¾	80	83¼	80	729	90	79
Can. Bak., c. (no par)	.	...	28	27	27	28	50	38½	26
Do. pref.	7	7.07	99	99	99	99	65	102	97
Can. Bread, c. (no par)	$5	4.67	107	105	105	107	40	116	90
Do. pref. (A)	7	6.08	115	115	115	116½	50	116½	108½
Do. pref. (B)	7	6.48	108	108	108	107½	20	112¼	103
Can. Canners, com.	.	...	50	50	50	49	25	63½	21
Do. pref.	5	5.81	88¼	84	88¼	83⅝	265	97	76
Canadian Salt	8	6.06	132	132	132	134	1	136	123
Christie Br., c. (no par)	$1.20	1.84	65	64	64	60	195	66	38
City Dairy, c. (par $25)	3+1	3.47	..	...	...	...	...	126	79
Do. pref.	7	5.83	120	120	120	119	50	121	112
Cuban Can. Sugar, com.	.	...	2	1½	1½	2	135	5	1½
Do. pref.	.	...	28½	27	27	29	293	37	27
Wm. Davies (A) (no par)	.	...	38½	38⅛	38½	38¼	345	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	19½	9
Dominion Stores (no par)	$2.40	3.00	80	73⅞	80	73	958	85½	65
Do. Rights	.	...	..	...	...	...	...	4	2¾
Ham. Dairies, c. (no par)	.	...	28	27	27	28	28	33	24
Do. pref.	7	7.17	97½	97½	97½	96	10	98½	96
Inter. Milling, pref.	7	6.68	105	105	105	104¾	1	107	104
Lake of Woods, com.	12	8.57	140	139	140	140	21	160	130
Do. pref.	7	6.25	..	...	...	...	...	117	110
Loblaw, com. (no par)	$1.25	2.60	49	48	49	48⅞	98	51	48
Do. pref.	7	6.36	..	...	...	...	...	111	107
Maple Leaf Mill., com.	.	...	52	49	52	50	718	73¼	49
Do. pref.	7	7.21	97	96	96	96¼	20	101¼	94
Ogilvie Flour, c. (no par)	5	1.80	280	278½	278½	272	60	290	205
Do. pref.	7	5.73	122	120¼	122	125	60	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.05	21½	21¼	21½	21¼	125	21½	19⅛
Shredded Wheat (no par)	$3	4.49	66¾	62¼	66¾	63	205	70½	55
St. Law. Flour, com.	.	...	..	...	...	...	...	31½	28
Do. pref.	7	8.23	..	...	...	...	...	85	80
Viau Biscuits, c. (no par)	.	...	..	...	...	...	...	26	18
Do. pref.	7	7.77	..	...	...	...	...	92½	83½
W. Can. Fl., c. (no par)	1.40	5.60	25	24½	25	26	45	29½	22
Do. pref.	6½	6.43	102	101	101	102½	54	103¼	100
West. Groc., c. (no par)	$1	...	..	...	...	...	...	29	18
Do. pref.	7	8.97	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.42	148	146⅝	148	147½	296	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.60	179	178½	178½	179	153	182	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.21	97	97	97	97	5	98½	96¼
Inter. Util. (A) (no par)	$3.50	8.75	40	39⅛	40	39⅛	135	42	28
Do. (B) (no par)	.	...	..	...	...	...	...	7⅝	4½
Jamaica Pub. Ser., pref.	7	7.00	100	100	100	99	1	100¼	97
Laurentide Power	5	4.67	..	...	...	...	...	120	107
Mackay, com.	7	6.30	112½	110	110½	113	181	127½	108
Do. pref.	4	5.79	70½	68¼	69	69	162	74	68¼
Mexican Light, com.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	..	...	...	...	...	120	77¼
Mont. L H & P (no par)	$2	2.43	84	82¼	82½	83½	1797	85¾	68⅛
Montreal Teleg. (par $40)	8	5.20	..	...	...	...	...	51½	49
Nor. Mexico Pr., com.	1	...	81	74	79	75	150	83	42
Do. pref.	7	7.56	..	...	...	...	...	93	82½
Ott. & Hull Pr., c. (no par)	.	....	..	...	...	...	...	28	26
Do. pref.	7	7.21	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com.	6	5.55	108	108	108	107¼	5	108	98½
Do. pref.	6½	6.07	..	...	...	...	...	107½	102
Quebec Power, com.	6	2.27	275	263	265	275	2240	311	190
Shawinigan (no par)	$2	2.50	83⅜	79	79	82½	8346	93¾	67
So. Can. Pr., c. (no par)	$2	2.17	92	92	92	92	25	97	85
Do. pref.	6	5.95	100¼	99¾	100	100	25	102½	99½
Transportation—									
Can. Pacific Rly.	10	5.63	182¼	177½	182½	177	32	190	166
Can. Steam., c. (no par)	.	...	37½	36½	37½	37	75	42	35
Do. pref.	6	6.66	90	88	90	87¾	683	94¾	82½
Do. voting	.	...	35	35	35	35	10	37½	32½
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	51	33½
Brazilian, com.	6	3.67	167	161½	162	161½	47476	172	102½
Do. pref.	6	4.44	138½	134	134½	133	1400	143½	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	2
Duluth-Superior	$2	7.69	26	26	26	27	20	30⅝	25
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.40	..	...	...	...	...	200	169
Ottawa Traction	4	5.97	..	...	...	...	...	70	64
Porto Rico Rlys., com.	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	95½	95½	95½	96	20	96⅛	90
Twin City, com.	4	7.84	51	49	51	50	79	66	48⅝
Do. pref.	7	6.86	..	...	...	...	...	101	100
Winnipeg Elec., com.	1	...	74	72	72	73¾	324	79¾	60¾
Do. pref.	7	6.66	105	103½	104	104	64	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.09	44	44	44	44	10	50	36
Can. Converters	7	7.44	94	92	94	94	10	107½	92
Can. Cotton, com.	8	6.45	..	...	...	...	...	132	120
Do. pref.	6	6.09	99	98½	98½	99½	35	100	95
Can. Woollens, com.	.	...	8	8	8	8	10	10	6
Do. pref.	.	...	60	60	60	60	50	63½	59¾
Cosmos Imp., c. (no par)	.	...	25	23½	24½	23½	1356	27	13
Do. pref.	7	7.07	..	...	...	...	...	101	91¼
Dom. Textile, c. (no par)	$5	4.38	114	112½	114	112½	121	120¾	105
Do. pref.	7	5.78	121	120	121	121	18	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, com.	6	5.21	115	113¼	115	111	42	117	110
Do. pref.	7	6.14	114	114	114	116	14	118	114
Penmans, c. (no par)	44	5.55	72½	71	71	72½	175	79	70
Do. pref.	6	5.88	102	102	102	101½	5	105	101
Wabasso Cotton (no par)	6	6.52	..	...	...	...	...	116	84

	Div. Rate	Yield July 11	High for wk.	Low for wk.	Close July 12	Close July 5	Sales for wk.	Range, 1927 High	Range, 1927 Low
General Industrials—									
Amer. Sales, c. (par $20)	4	6.50	62	61	61	61½	80	75	60
Do. pref.	7	6.93	102	100½	101	102	95	102	97½
Asbestos Corp., c. (no par)	.	...	23½	22¾	23	23½	656	25	20
Do. pref.	7	8.00	88	87	88	88	759	90	82¾
Brant. Cord., pf. (par $25)	8	9.09	22¼	21¾	21¾	22⅝	1149	25	21
Building Products, pref.	7	7.14	..	...	...	...	...	98	93½
Burt, F. N., c. (par $25)	$3	4.83	62	59	60	59	147	66	56½
Canada Cement, com.	6	4.12	148	142	146	142	880	153½	124½
Do. pref.	7	5.55	121	119½	120	119	202	121½	116
C. Ind. Alc. (no par)	$1.28	4.12	32¼	30¾	31	31⅞	10473	34½	21¼
Canadian Oil, com.	.	...	24	23¼	24	24½	170	24⅞	23¼
Do. pref.	8	6.66	..	...	...	...	...	120⅛	115½
Crow's Nest Coal	6	10.00	..	...	...	...	...	71⅛	60
Dom. Glass, com.	7	5.98	117	117	117	117	190	125½	104
Do. pref.	7	6.14	114	114	114	114	25	115	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.52	..	...	...	...	...	97	92½
Famous Players, com.	.	...	31	30	31	30	17	31	20
Do. pref.	8	8.33	96½	94⅝	96½	96	101	101	93½
Gilman, com.	6	5.45	..	...	...	...	...	112	110
Do. pref.	7	6.03	116	116	116	115	10	125	110
Goodyear Tire, pref.	7	7.07	100	98	99	100	404	109	94½
Hayes Wheel, c. (no par)	.	...	30	29½	29½	30	112	34	27¾
Do. pref.	7	7.69	..	...	...	...	...	96	91
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	..	...	25	25	25	25	5	25¼	20
Do. pref.	7	7.60	..	...	...	...	...	95	90
King Edward Hotel	$1	...	45	34	42	35	143	60	20
Laura Secord, c. (no par)	.	...	33	31	33	31	105	35	26
Do. pref.	7	6.48	109	108	108¾	108	105	112	102
Lyall Construction	.	...	..	...	...	...	...	45¾	25
Loew's, com.	.	...	45	45	45	45	5	47	38
Do. pref.	7	6.84	..	...	...	...	...	105	96½
Lake Ont. Brew.	50c	...	25	24	25	25¾	200	27	24
Muirheads (no par)	.	...	9¾	9	9¾	...	270	9¾	9
Do. pref. (par $10)	7	6.25	11¼	11¼	11¼	...	72	11¼	11¼
Nat. Brew., c. (no par)	$4	5.63	71	67½	71	67¾	3227	73½	65
Do. pref.	7	6.54	107	107	107	107	60	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	12.50	56	56	56	65	40	81	56
Pacific Burt, com.	6	6.18	..	...	...	...	...	100	87
Do. pref.	7	6.51	..	...	...	...	...	108⅛	102
Port Hope Sanitary, com.	3	2.14	..	...	...	...	...	140	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	6.86	102	100	100	100	120	102	92
Seagram (no par)	.	...	24	22	22¼	23½	4980	28⅞	15
Sher-Williams, com.	6	3.63	165	165	165	160	45	170	142
Do. pref.	7	5.93	..	...	...	...	...	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Sterling Coal	4	13.33	..	...	...	...	...	36	30
Tooke Bros., c. (no par)	.	...	..	...	...	...	...	x8	8
Do. pref. (new)	7	8.33	72	72	72	68¼	5	72	68¼
Tuckett Tobacco, com.	4	5.31	75¼	75¼	75¼	74¾	30	75½	69
Do. pref.	7	6.60	..	...	...	...	...	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.18	79½	76¼	76¼	76	29	89	76
Trust and Loan—									
Can. Landed (par $50)	10+1	5.44	101	101	101	101	30	101	94
Can. Permanent	12	5.40	222	222	222	222	27	223½	216¼
Colonial Invest. (par $10)	6	...	5	5	5	5½	2	7	5
Huron & Erie	7+½	4.96	151½	151	151	151½	8	152⅛	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.80	..	...	...	...	...	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.91	..	...	...	...	...	246	220
Toronto Mtge. (par $50)	10+1	5.37	..	...	...	...	...	103½	100
Union Trust	7	6.36	..	...	...	...	...	110	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield July 11	High for wk.	Low for wk.	Close July 12	Close July 5	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅝	98
Attendu Engine (par $1)	.	...	19⅞	17	17	16½	322	35½	14
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	16¾	16¾	16¾	15	100	20⅝	15
Belding, com.	6	8.57	..	...	...	...	...	88	70
Do. pref.	7	7.14	98	98	98	98	10	100	98
Brading Brewery (no par)	.	...	..	...	...	...	...	35½	25
Brit. Amer. Oil (no par)	80c	3.20	25	23¾	24½	23	8957	28	20
Brew. & Bistil. (par $5)	5	...	6½	6½	6½	6¼	30	6½	4½
Can. Brewery (no par)	.	...	27	24	26¾	25	745	30¼	23
Can. Bronze, c. (no par)	.	...	44	43½	43¾	44	130	50¼	43
Do. pref.	7	7.00	100½	100	100	100	75	101	100
Can. Celanese (no par)	.	...	65	60	65	67½	213	72	52¾
Do. pref.	.	...	..	...	...	...	...	92	88
Carling Brew. (no par)	.	...	25½	24	24	24¾	890	28½	22⅞
Can. Light & Power	.	...	35	35	35	35	50	55	20
Can. Nor. Pr., c. (no par)	.	...	53½	53½	53½	53	45	53½	42
Do. pref.	7	7.07	99½	99	99	98	20	100	98
Cockshutt, pref.	4	5.71	70	70	70	70	5	82	70
Continental Oil	$1	...	..	...	...	...	...	22¼	17
Cosgrave Brew. (par $10)	$5	5.00	10	9½	10	10	662	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	54	50½
Com. Alcohol (no par)	.	...	17	15½	15½	16	65	70	15
Foothills Oil	.	...	..	...	...	...	...	2.90	2.25
Dom. Engineering	8	4.25	..	...	...	...	...	189	135
Dom. Power, pref.	7	7.00	..	...	...	...	...	101	100
Dryden Power (no par)	.	...	11	10½	10½	10	475	15½	9½
East. Dairies, c. (no par)	.	...	26⅞	26⅞	26⅞	27	10	29¼	20½
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Good. & Worts (no par)	$1	1.90	55½	50¼	53½	51	2183	64	43¼
Hiram Walker (no par)	.	...	52	48½	50	49	7077	57¼	28½
Illinois Power, pref.	7	7.14	..	...	...	...	...	100½	98
Imperial Oil (no par)	1.12½	2.54	44	42½	43⅞	42½	4111	47	37¾
Imp. Tobacco, c. (par $5)	6	3.75	8	8	8	8	45	...	...
Inter. Pete. (no par)	75c	2.59	29½	28½	28½	28¾	245	35¼	28
Loew's London, com.	25+5	...	..	...	...	...	...	5¾	4½
Inter. Power, com.	.	...	..	...	...	...	...	17	14½
Do. pref.	.	...	..	...	...	...	...	90½	86
Mitchell, J. S.	.	...	32	29	30	28	11	32	28
Manitoba Power (no par)	.	...	56	56	56	56	75	58½	50
McColl, com. (no par)	80c	2.05	39⅛	38½	39	39	925	41	22½
Do. pref.	7	6.06	117	115	116	116	247	118½	100
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	50	47½	47½	48	110	55¾	47½
North. Bakeries (no par)	.	...	30	27	29½	27¼	6153	36¾	25
North Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com. (no par)	.	....	22½	20	22½	20	768	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	7.44	..	...	...	...	...	48⅛	47
Ottawa Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	25	25	25	50	10	60	25
Do. pref.	.	...	..	...	...	...	...	100	98
Power Corp., c. (no par)	.	...	40	38	39	38	2085	44	27¼
Do. pref.	6	6.31	..	...	...	...	...	97½	94
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
Perfection Glass (no par)	.	...	..	...	...	...	...	8	7
St. Maur. Power	.	...	125	125	125	120	140	150	96
St. Maur. Val., c. (no par)	.	...	53	51	51	52	515	57½	47
Do. pref.	7	7.36	95	95	95	95	10	98	90½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	38	38	38	35	105	54	35
Do. pref.	8	7.54	106	106	106	106	20	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	12⅝	12⅝	12⅝	12	100	13¼	12
United Secs., com.	.	...	50	46	50	60	40	70½	43½
Do. pref.	6	5.79	103½	103½	103½	103½	15	105¼	103¼
Volcanic Oil (par $25)	$2.52	1.34	47	46	47	47	269	47¼	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	24½	24½	24½	25	50	25	20

xQuotations for 1926. No sales recorded in 1927 to date.

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Shares Now Selling Nigh Rock Bottom — Two Reports Soon

From Our Own Correspondent.

MONTREAL.—June 30 marked the end of the fiscal year of two leading newsprint companies, Laurentide and Spanish River. The annual reports of both companies will be published in August, and from these reports investors in all newsprint securities will be able to obtain for the first time some idea of the effect of the hesitancy in the newsprint market on profits.

The general impression which prevails at the moment is that the strong working capital position of both companies will show a betterment, and of course, that dividends have been earned.

The last six months of 1926 brought good business to the newsprint mills, while in the first six months of 1927 the demand was not as large as the total capacities of the mills on this continent. Thus, the annual reports of both Laurentide and Spanish River will hardly provide an index of the earning power of the companies during the current year.

Sold to a Standstill

The general impression regarding the shares of newsprint companies is that they have been sold to a standstill. Further declines in the market for newsprint stocks are therefore not anticipated in the immediate future. Of course, it is possible that with the spotty business in the United States, there may be further declines in the New York market, and should this take place there seems little doubt that like all other securities on the Canadian exchanges, the newsprint stocks will be affected.

However, it is thought by many that the price at which the newsprint stocks are changing hands at present is almost down to rock bottom. Some of the shares may fall off a few more points, but for the long pull investor a decline of three, four or five points means little or nothing.

More Interest Displayed

Some investors are again turning to the newsprint stocks because of the attractive yields which are at present obtainable. For instance, it has been possible to purchase Spanish River common of late below par, giving the investor a yield of over 7 per cent. In its last fiscal year, Spanish River earned almost 17 per cent. on its common shares.

Even taking into consideration the hesitancy in the newsprint market and the possibility of this hesitancy lasting several years, there are few stocks, if any, changing hands on the Canadian exchanges at prices which make them more attractive.

The shares of many companies in industries in which the outlook is rosy all change hands at figures which discount the future perhaps too much. Thus, a stock like Spanish common is again attracting the attention of some long pull investors.

Wayagamack's Shares Break New High Ground

From Our Own Correspondent.

MONTREAL.—In selling at above 60, the shares of the Wayagamack Pulp and Paper Company have reached their highest level since 1920 when the old shares sold at 150. At the close of 1926 the company split its shares two for one; thus a price of 60 for the present stock is equivalent of 120 for the old.

The reason for the strength in the shares lies in the success which the company has had in the manufacture of sulphate pulp and kraft paper. The market for these commodities during the past six months has been the one bright star in the general pulp and paper firmament.

Like the newsprint companies, Wayagamack has probably not been making the profits from its newsprint plant as it could achieve under better market conditions. Nevertheless, profits from the newsprint end of Wayagamack's business all go to swell the net earnings applicable to the common shares.

Furthermore, to erect its newsprint mill, the capital stock of Wayagamack was not increased. Thus earnings from newsprint production may simply be regarded as "velvet" as far as the common shareholders of the company are concerned. It is certain that earnings from the newsprint plant are more than sufficient to pay operating and all interest charges and to leave over a satisfactory surplus applicable to the shareholders.

PROGRESS AT MISTASSINI

MONTREAL.—The extension of the Canadian National Railways from St. Felicien to Mistassini, where the mills of the Lake St. John Pulp and Paper Company are being erected, is so far advanced that it will be ready for regular traffic in six weeks' time. In addition to being an essential for the new newsprint mills, the railway will open up a rich country for colonization and agriculture.

Howard Smith Paper Mills Has Excellent Half Year

From Our Own Correspondent.

MONTREAL.—During the half year, which ended June 30, it is understood that the Howard Smith Paper Mills set new monthly production records during the period. The second quarter of the year was one of the best, if not the best, in the history of the company. All departments of the business showed an improvement during the six months and thus at the present time there appears to be little doubt that at the conclusion of the year earnings will show an increase.

But the net profits which will be obtained will naturally depend on the results which are achieved during the second half of the year and in addition will also depend on the amount the management decides to write off for various reserves.

Maritime Companies Are To Retain Special Rate

From Our Own Correspondent.

MONTREAL. — An order, recently handed down by the Board of Railway Commissioners, is favorable to the pulp and paper producers of the Maritime provinces. Last month, representatives of the Bathurst Company, the Fraser Companies and the Nashwaak Pulp and Paper Company appeared before the board protesting against a proposed cancellation in rates which was to have been effective on June 27. It was contended that this cancellation of the special rates on pulpwood would work out to the disadvantage of the pulp manufacturers in the Maritimes, if the 20 per cent. freight reduction proposed by the Duncan Commission had automatically been applied to the old rates instead of to the special rate. The Railway Board's rulings now direct that the special rate be retained, and it is to be considered as the basis for the freight rate reductions recommended by the Duncan commission.

Want Quebec P. & P. To Produce Newsprint

From Our Own Correspondent.

MONTREAL.—The municipal councils of both Chicoutimi and River Moulin have adopted resolutions asking the government of the province of Quebec to grant the Quebec Pulp and Paper Mills sufficient forest lands to enable the company to extend its operations into the newsprint field.

The Quebec Pulp and Paper Mills produces only ground wood pulp and has been handicapped in its operations because of the poor market which prevails for that grade of pulp. In order that the company may make the best use of its assets, it is felt that expansion in the newsprint field is essential.

The resolutions of the councils read that the terms of the grant should assure the operation inside of two years of a plant located in Chicoutimi with a capacity of not less than 250 tons of newsprint a day.

Sale of Quebec Southern Ratified By Shareholders

From Our Own Correspondent.

MONTREAL. — The special general meeting of the shareholders of the Quebec Southern Power Corporation ratified the decision of the directors to sell the property to the Gatineau Power Company.

Recently, the Quebec Southern Power Corporation revamped its capital structure and sold new, no par value, common stock at $27 per share. The shareholders who purchased this stock will receive $28 per share for their holdings.

The common shares of the predecessor company will be redeemed at $50 per share. The predecessor company's shares were converted into shares of no par value in the ratio of two of the new for one of the old. Thus, the shareholders in the old company, who have exchanged their stock, will receive $25 per share for the new stock.

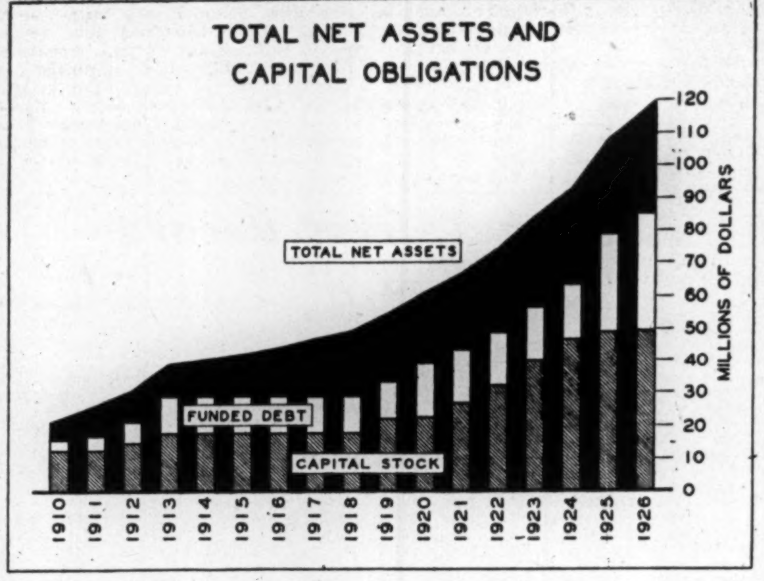
Dividends Declared

Company	Rate	Date	Record
Muskoka Lakes Nav.	6%	Aug. 1	July 1
Imperial Bank	3%	Aug. 1	July 15
Russell Motor, pref.	1¾%	Aug. 1	July 1
Nipissing Mines	1½%	July 20	June 30
Penmans, com.	$1	Aug. 15	Aug. 5
Do., pref.	1½%	Aug. 15	Aug. 5
Winnipeg Elec. com.	$1	Aug. 1	July 10
McColl Bros. com.	20c.	Sept. 1	Aug. 15
Do., pref.	1¾%	Sept. 1	Aug. 15
Inter. Paper com.	60c.	Aug. 15	Aug 1
Standard Bank	3%	Aug. 1	July 16
Steel Co. of Can. com.	1¾%	Aug. 1	July 7
Do., pref.	1¾%	Aug. 1	July 7
Mont. L. H. & P.	50c.	July 30	June 30
Nor. Ont. L. & P.	3%	July 25	June 30
Eastern Theatres, pfd.	3½%	July 30	June 30
Dome Mines	25c.	July 20	June 30
Abitibi Pr. & Paper	$1.25	July 20	July 9
Can. Bronze, pfd.	$1.71	Aug. 1	July 15
Amer. Salesbook, pfd.	1¾%	Aug. 2	July 15
Teck Hughes	10c	Aug. 1	July 20
Bank of Toronto	3%	Sept. 1	Aug. 15
Stanford's 1st pfd.,	1¾%	Aug. 1	July 15
Tooke Bros., pfd.	1¾%	Aug. 1	July 15
Can. Alcohol	25c	July 20	July 10
Wright-Hargreaves	5c	Aug. 1	July 15
Christie Brown, com.	30c	Aug. 1	July 15
Do., pref.	1¾%	Aug. 1	July 20

Stock Redemption

Dom. Radiator pfd. Sept. 1, 15,484 shs. at 101.75

McColl Bros., conv., pref. Sept. 1, at 107.50.



Bell Telephone Profits Have Been Re-Invested

From Our Own Correspondent.

MONTREAL. — The accompanying Bell Telephone chart will go out to the shareholders of the company with this month's dividend cheques. The black area in the graph shows the actual cost of the company's plant plus other net assets as at the end of each year; the shaded columns are the total stock outstanding whilst the white portions represent the funded debt plus the bank loans.

Thus at the close of the 1926 year the actual cost of the assets amounted to $120,000,000; capital stock outstanding was $49,000,000 and funded debt plus the bank loan totalled $36,000,000.

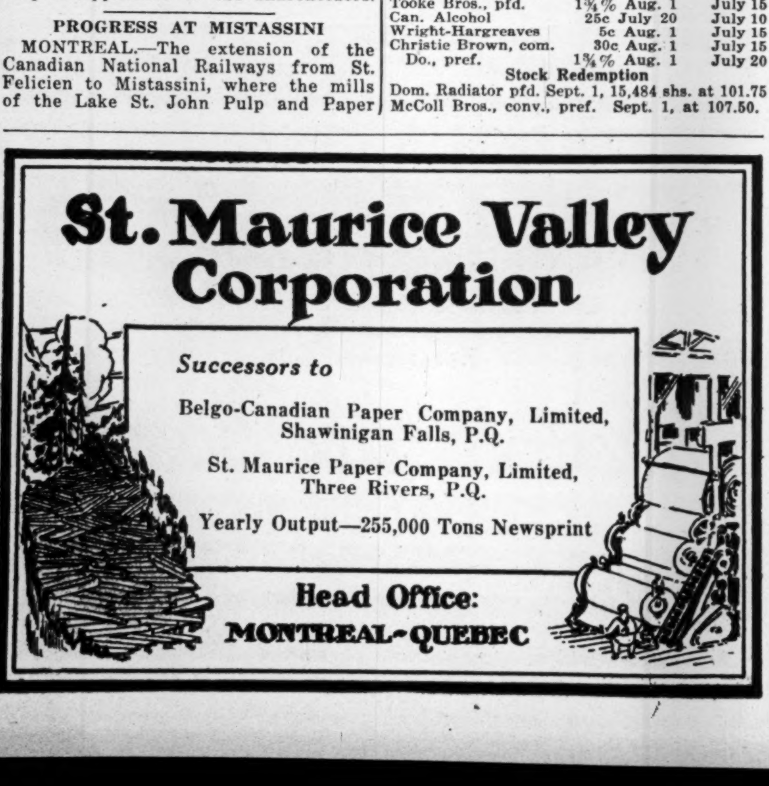
The chart reveals very graphically several significant points regarding the operations of the company. In 1910 it will be seen that the net assets amounted to $21,000,000 and that the total bond and stock capitalization was $16,000,000; this means that at that date the company was capitalized at 76 per cent. of the cost of its assets. At the close of 1926, however, the ratio between the capitalization and the actual investment had declined to 62 per cent.

Earnings Were Reinvested

The decline in the ratio is accounted for solely through the reinvestment of earnings by the management. It is interesting to note that the chart shows a more or less steady trend in this direction, so that this has been the management's continuous policy, and not one inaugurated within recent years.

Another comparison is of interest. In 1910 the relation of the bonded debt to the total capitalization was 22 per cent.; in 1926 this figure had increased to 43 per cent. Thus the proportion of common stock in the capitalization has decreased from 78 per cent. to 57 per cent. This decreasing proportion, under usual circumstances, would indicate that larger earnings during the past seventeen years would gradually have accrued to each share of stock outstanding.

But this has not occurred. Nor has the Bell Telephone Company tried to hide its profits by stock splits or by any other artifices. Nor can it be said that profits have been concealed by the issuance of new stock, for all stock issues have been made either at par or over par. Thus in part, is explained the steadily increasing ratio of total net assets to the total capitalization. Increased earnings, when they have accrued, have gone back into the plant and have not been used to enrich the shareholders as the long maintained 8 per cent. dividend rate bears silent witness.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Successors to
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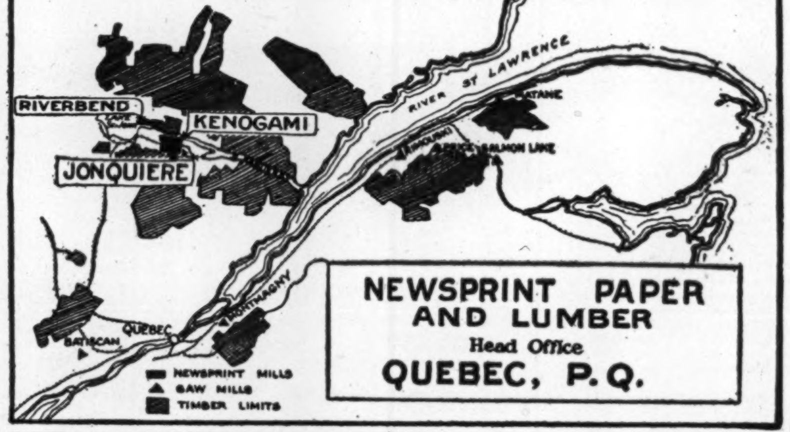

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SAULT STE. MARIE, CANADA
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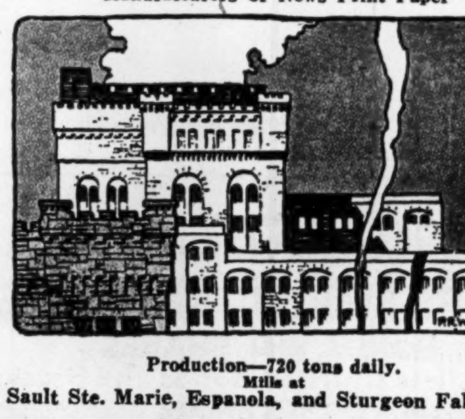

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CLAIMS COMBINE THRESHER MAKES GOOD IN CANADA

Gains Endorsement of Government Officials in West

"There is every reason to believe that the future of the harvester-thresher in Western Canada is assured," to C. A. Ewald, assistant Canadian sales manager of International Harvester Co. is quoted by the Wall Street Journal as saying.

"Endorsement of the harvester-thresher is given by government officials throughout the West, some ofwhom have conducted extensive and intensive investigations of its practicability under various land and crop conditions.

"Professor E. A. Hardy, of the University of Saskatchewan, has studied harvester-thresher operations and results over a wide area of country. He is authority for the statement that "the combine harvester has already found a place in Saskatchewan agriculture and undoubtedly will become an important factor in reducing the cost of harvesting the grain crops of Saskatchewan. On the results of two years' tests we have attempted to calculate the cost of doing the threshing with the combine in comparison with the cost of doing the same by binding, stooking and threshing in the usual way. The cost with the combine when it can be used with as good effect as it has been in these two seasons, is at least 10 cents per bushel less than with the binder."

Acreage is 76,650

"J. K. McKenzie, assistant superintendent of the Dominion Experimental Farm at Swift Current, Saskatchewan, also has conducted exhaustive tests to determine the efficiency of the harvester-thresher and is a strong advocate of its adoption. Mr. McKenzie has estimated from available statistics that the average acreage of wheat cut by harvester-threshers in that province last year was 525 and that the total acreage amounted to 76,650. Adding oats, flax and fall rye, the total number of acres was 81,300.

"The answers to questionnaires sent to harvester-thresher owners and operators furnish satisfactory proof of the advantages of the new method. In practically all cases the owners reported that their 'combine' had not only made a big reduction in the cost of harvesting and threshing, but that the 'combines' were responsible for higher grading of their grain with consequently larger returns than they would have had under the usual methods of handling the crop.

"This additional saving in grades results from the ability of the harvester-thresher owner to take full advantage of every spell of fine weather in a rainy fall such as in 1926, to complete his cutting and threshing.

"From the harvester-thresher standpoint, the difficult thing for western Canada farmer, accustomed to cutting his grain a little on the green side, will be to wait for the crop to ripen. Instances have come to our notice where the machine was put into crops before they were ready, with the result that a poor job or no job at all was done.

Should Await Maturity

"The sections of the West where headers have been used have had some experience in waiting for grain to mature and the harvester-thresher, largely for that reason perhaps, has been notably successful in those districts. In the meeting recently held by several branches at various points on the territory many of the dealers and farmers present, who had watched or operated harvester-threshers in the field, minimized the danger of allowing the crop to stand until ripe in view of the rapidity with which the 'combine' handles it.

"The importance of using good seed and seeding the proper amount to the acre is emphasized by men who have studied the possibility of loss from shattering. The seed bed should be prepared for uniform seeding, uniform germination and uniform ripening. Further to assure good harvesting conditions, the crop should be kept as free as possible from weed and insect ravages.

"In the branch meetings previously referred to there was abundant evidence of the widespread and intense interest of Western Canada's grain farmers in the aplication of their crops. The outlook at present is for a continuous advance in our harvester-thresher business."

Production of Boots and Shoes Well Ahead of 1926

Evidence of the increased purchasing power of the average Canadian since the beginning of the year, is contained in the regular Government reports on the production of boots and shoes. During May last, the total quantity of footwear with leather or fabric uppers made during the month was 1,480,003 pairs, compared with 1,450,672 pairs for the preceding month, and with a total of 1,352,720 pairs for the same month a year ago.

For the first five months of the current year, production of boots and shoes was 7,372,268 pairs, an average of 1,474,453 pairs per month, compared with a total of 6,987,373 pairs and an average of 1,397,475 pairs per month for the corresponding period of 1926. It is interesting to note that the output of women's and misses' and children's boots and shoes represent the largest percentage of the total production.

Capital: $1,000,000
Reserve: 350,000

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Use of Phrase "Trust" To Be Strictly Limited

The use of the words "investment trust" will in future be limited only to those companies who perform the true functions of a trust and not an investing corporation. During the past year several companies have been incorporated in Canada as investment trusts to carry on operations in much the same manner as those in England and the United States. The trust companies already in existence have objected to the use of the word "trust" in this sense and Thomas Mulvey, under-secretary of State, has been prevailed upon to limit the use of this word.

Thus, in future, no more companies will be incorporated having the words "investment trust" in their corporate title. Company titles already containing these words will be allowed to continue their use.

OFFERS BROOKS HOLDERS SHARES IN U.S. VENTURE

Turning in of Stock Would Give O. J. Greater Control

Shareholders of Brooks Steam Motors, Ltd., Canadian company, are receiving circular letters from Brooks Securities, Ltd., offering an exchange of stock in the Canadian company for stock in the company incorporated in New York state. Brooks Securities is the name of Oland J. Brooks stock-selling organization.

Enemies of Brooks and his associates assert that his purpose in offering the exchange is to get into his own hands a greater block of the stock in the Canadian company. Although the poll recently held resulted in a nominal victory for Brooks, it is asserted that, if given time to explain to distant shareholders, the dissatisfied group of shareholders in Toronto, Ottawa and Montreal would have no difficulty in getting control, especially if, as is possible, the preferred stock is allowed to vote.

Defend Exchange

Friends of Brooks defend the proposed exchange by asserting that it is an opportunity to Canadian investors to become interested in the United States company directly. There can be no indirect interest because Mr. Brooks does not propose to give the Canadian company a stock interest in the New York company.

O. J. Brooks began his Buffalo venture about six months ago with the incorporation of Brooks Steam Motors in New York state and the Eureka Engineering Co. in Delaware. There have been reports that the patents and designs of the Canadian company were to be moved to Buffalo. This caused shareholders in Toronto to organize a committee of dissent. In various subsequent meetings, and at the two general meetings of shareholders, there were excited interchanges of opinion and occasionally of fact. The quarrel has got into the court with charges and counter-charges. F. W. Wegenast, counsel for the committee, says that the de facto directors of the company cannot take any step until various legal actions have been disposed of.

Claim Ratification

The directors of the company claim that the shareholders have ratified an agreement whereby United States rights to Canadian patents have been transferred to Eureka Engineering Co. in return for Canadian rights on any patents which Eureka Engineering Co. may take out in the next five years. The stock ownership of Eureka Engineering Co. is believed to be closely held among the immediate Brooks associates. Terms whereby these patents would be turned over to Brooks Steam Motors, Inc., for manufacturing purposes have not been disclosed, although the contract stipulates that the title to the patents shall not pass from the Eureka company.

It is reported that the stock of the Buffalo company is being sold in the Canadian west. Confirmation of this is lacking.

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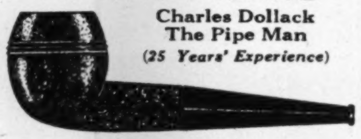

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Vancouver, Canada

Hand-to-Mouth Buying Excellent; if Sensible

By O. H. CHENEY*.

Hand-to-mouth buying is simply the shifting of the financial burden of carrying goods from the distributor to the producer. Before hand-to-mouth buying became the excuse for all the troubles of merchandising, the merchant paid the cost of carrying stocks, the cost of the bank credit necessary to do so. Now the manufacturer carries the stock and pays for the credit and, in general, holds the bag.

Of course, there are other advantages to the retailer which makes him feel that hand-to-mouth buying is some magic panacea or all the evils that retailing is heir to. There is the advantage of not being left with unsalable stocks because of sudden slump in demand or changes in styles. There is also the advantage of not having heavy inventories in a period of falling commodity prices—through which we are now passing.

Producers Now Hold Bag

Naturally the producers are not shooting off fire-crackers on the roofs in celebration of the glories of hand-to-mouth buying. They realize that what they are holding in their hands is what is popularly called "the bag" and they don't know very much what to do about it except pass fiery and thundering resolutions in conventions. They feel that the only inevitable and safe answer is hand-to-mouth manufacturing. The retailers—and wholesalers, too—are giving up the stock-carrying function which they had always assumed, and forcing the producers to take it over. Inter-distributor competition to take over the other fellow's functions tends to increase volume of production and distribution while hand-to-mouth buying, the giving up of functions, tends, if carried to extremes, to reduce volume of production and distribution.

There is no question but that extreme hand-to-mouth buying is not only not a panacea as some of our industrial leaders have recently hailed it—if carried to extremes it loses for us the economic benefits of quantity production, of standardization and of sane merchandising. And I believe that the ordering by a retailer of six pairs of hosiery to be delivered by airplane mail or of two pairs of women's shoes every other day to be delivered by parcel post—I believe that such buying is approaching the extreme.

Must be Sensible, Regular Buying

By hand-to-mouth buying I do not mean sensible, regular buying and the avoidance of overbuying. Such a buying policy is best not only for the merchant but also for the producer and for our business system as a whole.

This hand-to-mouth buying is a really very curious phenomenon in crowd psychology. It did not begin as a great economic revolution carried out by the determined and embattled host of retailers. It was about as revolutionary and aggressive as a child hiding his head under the covers when he wakes up in the dark. Hand-to-mouth buying began as sheer timidity of the retailer. It is only as he kept it up he realized a sense of power. The child is finding it warm under the cover, he can open his eyes without seeing scary things and he can even whistle softly to show how unafraid he is.

I do not want you to think for a moment that I minimize the importance of this hand-to-mouth buying development. I believe that now it has really become a symptom of the revolt of the retailer. It is a revolt against high-pressure merchandising—against trying to force through our distributing machine more goods than are wanted at the other end. One trouble with business to-day is that one printing press can turn out dotted lines much faster than a big sales force can get them filled. Until now we have had the producer's day—to-morrow will be the merchant's day and the hand that rings up the cash register will be the hand that rules the business world.

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*Vice-president, American Exchange—Irving Trust Company, in Commerce and Finance.

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A Town of Homes
Means Settled Labor

A SETTLED labor supply is one of the essentials of successful industrial operations. Floating labor is a source of annoyance, disorganization and loss, so potent that many manufacturers are elaborating great schemes for assuring the permanency of their labor organizations.

Those who have given the most thought to this problem will all agree that satisfied labor is settled labor, and that the most potent influence is attractive and pleasant home surroundings.

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Orillia - - Ontario

Public Utilities

GAS SECURITIES CONTINUE TO GAIN IN PUBLIC FAVOR

New Uses for Gas Give Assured Future to Industry

New uses are being found for gas that give an assured future to a public utility that many people thought was passing out of the picture. Investment experts are fully confident as to the future of gas company securities.

A current letter going to shareholders of Associated Gas and Electric system contains a discussion of the future of gas by H. C. Hopson, vice-president and treasurer:

"In spite of the competition from oil, new uses of gas are constantly being made both in industry and in the home. The satisfaction and economy in the refrigeration of food are making artificial cooling a necessity throughout the year to many families who formerly took ice as a great luxury only during the two or three hottest months of the summer. The largest gas company in the world is now advertising as a standard appliance, a gas refrigerator which has the advantage over any similar device in being completely noiseless and having no moving parts.

"The use of gas for water heating furnishes an immediate and continuous supply of hot water at all times without labor or inconvenience, and is rapidly increasing. Another remarkable opportunity for gas lies in its use for heating homes, especially because of its cleanliness, convenience and economy. Thermostatic control has now been so perfected that the slogan "Turn it on in November and off in May" is almost literally true. Many gas companies, ours as well as others, are just beginning to promote the use of gas for refrigeration and home heating.

"The educational work as to the fundamental justice, from the standpoint of customers, of the service rate as compared with the quantity rate, is just beginning to bear fruit. While this improved form of rate will not of itself increase the revenue or the amount of gas sold, it will, however, offer to the customer the opportunity of obtaining the additional quantities of gas for these new uses at a remarkably low price. Although the profits from the sale of additional gas will at first be small, it should ultimately run into a substantial sum.

"The additional use of gas for home heating and for industrial and other purposes is not, of course, quite as simple a problem as it here appears, for the reason that in many places mains and services will have to be enlarged and manufacturing facilities increased, all of which requires more capital."

Quote Moody on Gas

The letter, which is now going out to Canadian and American securities, carries as an enclosure the following discussion from Moody's weekly review on gas company securities.

"The gas industry, which was the [illegible] of the utility services to be developed except water, has established an excellent record from the investor's point of view, although it has been so far somewhat overshadowed, in the eyes of the public, by the growth of the electric power and light business. Expansion of the industry has been rapid and uninterrupted for more than two decades — a remarkable accomplishment in view of the readjustment from an illuminating to a heating service which has taken place during that time consequent upon the development of electricity. The sales of manufactured gas, as reported by the American Gas Association, amounted, in 1926, to 459,326 million cubic feet as compared with 421,400 in 1925, 405,200 in 1924, 384,722 in 1923 and 178,229 in 1912.

"A feature of this expansion was the constant growth of the consumption of gas for industrial purposes and the successful efforts of gas companies in finding new and diversified uses for their product. Aggregate net operating earnings of 8 leading gas companies amounted in 1926 to $33,029,000 as compared with $25,109,000 in 1925, $24,822,000 in 1924, $25,880,000 in 1923 and $25,213,000 in 1922. Thus, the gain in 1926 was 31.54% due chiefly to a notable increase in earnings of the Consolidated Gas Co. of New York and the Brooklyn Union Gas Co. At the same time, the ratio of operating net to gross showed a substantial improvement, rising from 21.43% in 1925 to 24.86% in 1926, a record figure for recent years.

"The above results appear still more encouraging in the light of the slow, but consistent, decline in the average of retail prices for gas. This average, as compiled by the Bureau of Labor, stood at $1.22 per 1,000 cu. ft. at the end of 1926, against $1.23 at the end of 1925 and $1.30 at the end of 1921.

"In view of these accomplishments, the managerial ability, and the stability of earnings so convincingly displayed by the gas manufacturing companies, one cannot help remaining fully confident as to the relative future position of their securities."

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SUBSIDIARIES OF SHAWINIGAN ARE PROFITING WELL

Canada Carbide Installs Largest Furnace of Kind on Continent

Canada Carbide Co., a wholly-owned subsidiary of Shawinigan Water & Power Co. shortly will have the largest carbide furnace on this continent. The capacity will be approximately 50 per cent. greater than the present furnace. The new equipment will cost $250,000.

The principal product of Canada Carbide is acetylene which it sells in large quantities to Canadian Electro Products Co., which is another Shawinigan subsidiary. Canadian Electro Products Co. began business during the war to produce acetone, required by the munitions authorities. But there is now virtually no demand for this chemical.

Diversify Product

Yet Canadian Electro Products promises in the course of the next few years to become, with Canada Carbide and other companies in the chemical group, among the principal sources of revenue of the parent company. The processes by which acetone was being manufactured have been modified or developed in such a fashion that a diversified list of commercial chemicals now are being produced and marketed in most countries of the world. The Dupont interests are among the large customers for some of these products.

Another company which, it is expected, will eventually become a gratifying success is the Niacet Chemicals Corp., of which Shawinigan owns one-third of the common stock, the remaining two-thirds being divided equally between two other corporations which are directly or indirectly concerned with chemical manufacture. The Niacet company, with plants at Niagara Falls, Ont., and elsewhere, is reported to be making rapid progress.

ONTARIO HYDRO HAS 39 RETAIL STORES

Sales of Appliances Amounted To Over Million During Year 1926

Thirty Ontario municipalities are at the present time conducting, under the jurisdiction of the local Hydro Electric Commission and responsible to the Provincial Commission, thirty retail stores for the merchandising of electrical appliances. A record of the operation of these stores for the year ending December 31 last has just been completed. Two stores lost money during the period and 28 show net profits.

According to Hardware and Metal, total assets of thirty Hydro retail shops for the year amount to $589,282.13 comprising inventory $254,046.76, accounts receivable $324,256.62 and office equipment $10,978.75. Liabilities balancing the assets comprise the following: Advances from Hydro Department $578,110.57; accounts payable, $872.29; uncollectable accounts, $10,299.27.

Thirty hydro shops sold merchandise to the value of $1,124,028.44 during that year, the cost of which merchandise was $822,480.78, leaving a gross profit of $301,547.66, or 26.8 per cent. Total expenses for the year were 23.8 per cent., leaving a net profit on the thirty stores of 3 per cent.

Analyzing the figures of each of the stores the following features are noteworthy:—Total expense of doing business varies from 9.6 per cent. to 33.8 per cent. The latter store had a gross profit of 28.4 per cent., thereby giving it a net loss of 5.4 per cent.

Rates of turnover of the various stores vary from 1.2 times to 8.9 times. The net profit of the store with the minimum turnover was 4.4 per cent., having an operating expense of only 16.8 per cent. and a gross profit of 22.2 per cent. The store with the maximum rate of turnover had a net profit of 6.8 per cent., having gross profits of 26.7 per cent. and operating expense of 19.9 per cent.

Cost of doing business of the 30 Hydro stores was 23.8 per cent. compared with an expense of 25.6 per cent. covering some 1,800 hardware stores recently surveyed.

The average stockturn of the hardware store in 1926 was 2.26 times, while Hydro stores last year turned their stock 3.1 times. The Hydro store with the largest net profit, viz. 10.2 per cent., had a stock turnover rate of 5.7 times, had total expenses of only 13.3 per cent. and gross profits of 23.5 per cent. The close relation between rate of stock turn and net profit is therefore evident.

In addition to these 30 stores, there are nine operated directly by the provincial commission. No figures are issued on these.

A complete survey to ascertain the amount of suitable farming land lying within easy access of the E. D. & B. C. and A. & G. W. railway lines will be undertaken by the provincial government during the present summer and fall.

Elaborate Bank Protection

One of the largest downtown Detroit banks has a police force of 31 officers at an annual salary of $75,000. A shooting range is maintained in the basement, where weekly target practice is held. The bank employs a fingerprint system and has a $20,000 alarm system in use. A turret is maintained in an alley where armored cars receive and deliver large shipments of money, and armed men guard all activities from this vantage point.

PUBLIC UTILITY EARNINGS

Cape Breton Electric

May—	1927	1926
Gross earnings	$51,131	$48,797
Operating expenses and taxes	41,160	40,106
Net earnings	$ 9,970	$ 8,691
Interest Charges	5,709	5,729
Balance for res. Retirement and dividends	$ 4,260	$ 2,962

xDecrease.

HOPING TO SAVE HALIBUT FISHERY FROM DEPLETION

International Fishery Commission Aims to Overtake "Disaster"

VANCOUVER.—To save the halibut fisheries of the Pacific Coast from utter depletion, with the consequent ruin of many fishermen, the International Fishing Commission is planning to take strenuous measures. However, no regulations will be drawn up until a conference has been held with the fishermen themselves:

Next fall members of the commission will hold a general meeting when fishermen and everyone interested in the industry will be given an opportunity to speak, John P. Babcock, chairman of the commission, announces.

Following this conference with the men operating in the halibut business, the commission will draft an interim report to the Canadian and United States governments, Mr. Babcock announced, and intimated that closing of some of the halibut banks to fishing as an experiment in conservation would be one of the proposals considered.

Some of the more apparent features of the situation are these:

Alarming depletion has occurred in the southern halibut banks, once the chief source of halibut supply, until now if the Masset and Portlock banks were closed altogether the total catch would scarcely be affected.

Fishermen are going farther and farther out to sea for halibut, and while, with more intensive fishing methods the total catch has been practically maintained, this process "cannot go on without disaster."

The halibut fishermen themselves, realizing the danger ahead, are almost unanimously in favor of closing some of the more depleted fishing banks.

Unit Catch Declining

In the southern banks the catch per unit of gear declined from 450 pounds in 1906 to 47 pounds in 1926.

It is "an open question as to whether the fishery can be conservingly administered," but the commission intends to continue its scientific studies when the halibut season opens again next winter.

The proposed closing of halibut banks is a scheme which will require earnest consideration and would be only an experiment. Banks closed in this way might produce breeders and reseed themselves or they might not.

Evidence A-Plenty of Depletion

The report states: "The statistical data indicates clearly that depletion has taken place everywhere, the degree of this depletion far exceeding anything which could possibly be confused by minor errors such as difference in gear used. But the most striking decline has been on the southern banks. In 1906, when the British Columbia fisheries department obtained our first really reliable records, the catch per unit of gear in Hecate Straits was in the vicinity of 450 pounds. Through the years it showed a steady decline to 1914, when it was approximately 143 pounds, and we have found that since then the rate of decline has continued evenly, until in 1927 the yield was but 47 pounds per 'skate.' Almost equally striking results are available for other banks.

Southern Banks Depleted

"The total landed from the whole coast has not markedly declined, the highest recent year being but 10,000,000 pounds below the year of maximum return. The total yield has not, however, been maintained on the southern banks. There the decline in total taken has clearly begun, so that to maintain the total for the whole coast the fishery has had to shift to the westward. There the yields from the individual banks have increased despite the fact that the actual abundance is on the decline, the amount taken from the banks near Kodiak having tripled in the last three years. This shift of the fishery with the decline of the southern banks was taking place as early as 1911, and has continued consistently since. The process cannot go on without disaster."

Get Together With Fishermen

Concerning the proposed conference it is stated:

"It is proposed to invite the principal officers of the Fishermen's associations, the Vessel-Owners' Association and the leading halibut dealers on the Pacific coast to visit our offices at the University of Washington, Seattle, where the director and his staff will show them the nature of the data that has been compiled in order that they may be fully informed of the drift of the evidence which the commission has accumulated. This will be followed by a general meeting, when all interested parties will be asked to express their views. Following that conference the commissioners will draft an interim report for presentation to their respective governments."

Gain of Seven Branches of Banks During June

The Canadian chartered banks report a net gain of seven new branches for the month of June. There were eight branches opened and only one branch closed. Following is a list of the branches opened and closed during the month:

Opened

Commerce—Chelmsford, Ont.; Hamilton, Main and Kenilworth; Arvida, Que.
Dominion—Bay and Breadalbane, Toronto.
Montreal—Two Hills, Alta (sub-agency to Vegreville); Myrnam, Alta. (sub-agency to Mannville).
Royal—Arvida, Que.
Toronto—Chelmsford, Ont.

Closed

Can. Nationale—North Stanbridge, Ont.

The Royal Bank has changed the name of its Bank and Laurier, Ottawa, branch to Bank and Sparks.

More Fires but Smaller Ones Shown by Ontario Fire Record

More fires, but smaller losses is the anomaly contained in the report of the Ontario fire marshal for the year 1926. Taking the province as a whole, there were 10,880 fires during the year, with a total loss of $12,482,993, of which all but $1,982,922 was covered by insurance. A year ago there were 10,386 fires, the loss from which amounted to $13,845,524, all but $2,904,124 of which was covered by insurance. The year 1926, according to the report shows the lowest fire waste since 1920. The year 1923 was the peak year for losses, the amount in that year being $18,344,587.

Special credit is given by the fire marshal, to the efficiency of the fire brigades in the various cities. Toronto is especially mentioned in this respect. The record in that city shows that whereas in 1924 there were 2,534 fires with a total loss of $3,356,238; in 1926 although there were 3,032 fires, the loss was little more than half, or $1,800,757.

A supplementary report for the year 1927, issued by the fire marshal, shows that the month of May, 1927, establishes a low record for loss since the organization of the fire marshal's department. Unfortunately it is expected that the heavy losses during the month of June will wipe out most of the decrease which has so far been shown for the first five months of 1927.

Kennedy and Crump Get Warehouse Appointments

Directors of the Canadian Rail and Harbour Terminals, Ltd., announce the appointment of Mr. Frank Kennedy, formerly general manager, as president of the company, to fill the vacancy caused by the death of Sir John Willison. Mr. Kennedy was formerly Toronto manager of the Bell Telephone Company.

Announcement is also made of the appointment of Raymond F. Crump, formerly assistant manager, to that of general manager. Mr. Crump has had over sixteen years experience in warehousing, having been general manager of the Northwestern Terminals Warehouse, Minneapolis, and was for several years in charge of the Procter and Gamble Warehousing in the United States. Mr. Crump has also been associated with the firm of Moores & Dunford, Inc., warehouse engineers and architects, New York.

Grain inspection totals at both Calgary and Edmonton for the period from August 1, 1926, to June 30, 1927, are slightly lower than for the corresponding period last season.

INTERNATIONAL PAPER COMPANY
Cumulative 7% Preferred Stock

FIVE DISTINCT SOURCES OF INCOME
Newsprint — Sulphite Pulp — Kraft Paper
Book and Writing Papers — Hydro-electric Power

POWER PROPERTIES

The International Paper Company is one of the largest holders of water powers on the continent.

Its major hydro-electric development, Gatineau Power Company, comprises one of the foremost hydro-electric projects on the continent and occupies a particularly favorable position in Canada due to its close proximity to large power markets. The three Gatineau plants have a designed capacity of 530,000 H.P., of which 80% is now being installed. Long-term contracts have already been executed for the sale of over 300,000 H.P. to the Ontario Hydro-Electric Commission and others.

At Grand Falls, N.B. is the plant of the St. John River Power Co., a wholly owned subsidiary, which will be the largest hydro-electric plant in the Maritime Provinces, designed for an installation of 80,000 H.P. in four units, three of which are expected to be installed initially. Sale of part of the power to be developed has been arranged for and the balance the Company plans for its own use.

MAGNITUDE

The total water powers which the International Paper Company and its subsidiaries now have in operation or under construction aggregate 700,000 H.P., capable of an ultimate development of over 1,500,000 H.P. The magnitude of these power properties may be realized when it is considered that the developed horsepower on the Canadian side of Niagara Falls is about 900,000 H.P. and on the American side approximately 573,000 H.P.

In the United States the Company has operated successfully for a period of years hydro-electric plants on the Hudson and Saranac Rivers with a capacity of 44,000 H.P. with an ultimate development of 300,000 H.P. This additional power is within a distributing radius of the large power market of New York City.

In addition to its own electric power properties, International Power Company holds over 30% of the Common Stock of New England Power Association, which ranks first in New England with respect to the amount of electricity distributed.

We consider the Cumulative 7% Preferred Stock of the International Paper Company a sound investment giving an exceptionally attractive interest return

Price to yield about 7.20%

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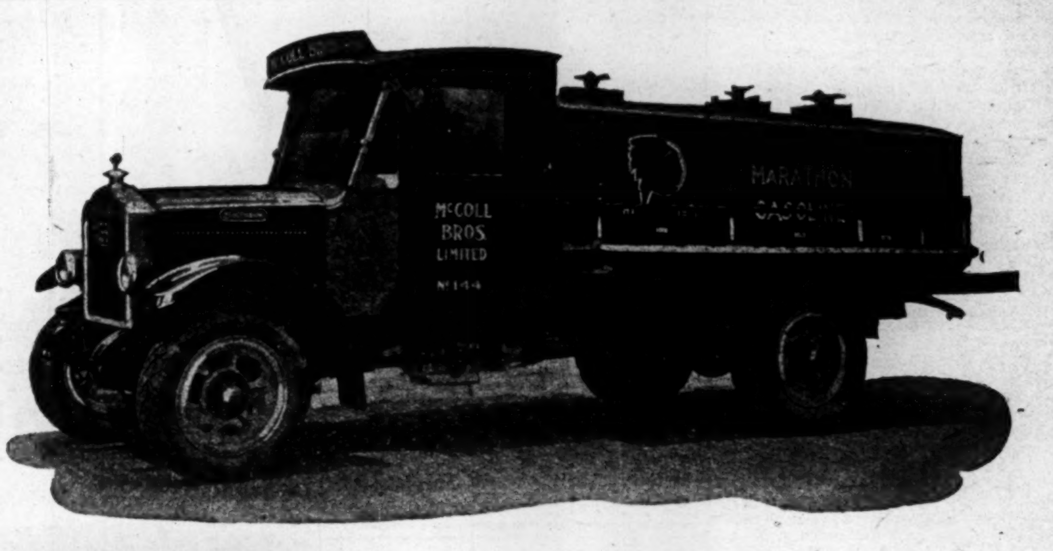

Gotfredson *Save Money— Earn Money*

In the building of busses Gotfredson has marched to the front rank. Everywhere in the Dominion, on city, suburban and country highways you will see these speedy, comfortable vehicles, winter and summer, providing safe, dependable transportation for hundreds of thousands of people.

GOTFREDSON trucks and busses stay on the job—they are reliable. Gotfredson trucks and busses get exceptional mileage on their oil and gasoline consumption—they are economical. When a Gotfredson owner gets into trouble there is a nation-wide organization to take care of him—Gotfredson trucks and busses are well serviced.

These three factors: reliability, economy of operation and adequate servicing are responsible for the great and ever growing demand for Gotfredsons; the reason why leaders of Canadian industry constantly add new Gotfredsons to their fleets.

Gotfredson Corporation Limited
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BRANCHES
MONTREAL HAMILTON LONDON QUEBEC OTTAWA VANCOUVER

MASSEY-HARRIS DIVIDEND LOOKED FOR; MAY BE $2

However This May Be Too Optimistic a Forecast

Earnings of the Massey-Harris Co., at present, are said to be greatly in excess of those for the past few years, and it is anticipated that provided business keeps up in present volume the company will be in a position by the end of the fiscal year to consider distribution on the common stock. For the year ended November 30, 1926, income from the year's operations amounted to $3,005,220, from which was deducted depreciation income tax, interest on borrowings, etc., totaling $1,009,451 leaving a net profit for the year of $1,995,768. While nothing is known of the actual amount of current earnings, it is likely that they are running well over the $3,500,000 mark.

The board of directors is known for its conservatism, and it is possible that the suggested rate of $2 a share on the new stock will be somewhat smaller. At present there are 483,596 common shares outstanding. Ranking ahead of this, is $12,089,900 7 per cent. preferred stock. On the basis of last year's earnings 9.50 per cent. was earned on the old common stock. If present reports as to earnings are verified, it is not at all unlikely that the company will earn over 10 per cent. on old common, or $2.50 on new, which should enable the directors to make a fairly substantial distribution to the shareholders.

Plants Are Busy

As far as actual operations are concerned at the moment the company's different plants are working at capacity on single shift though there is a slight easing in the activity which usually lasts from autumn until the summer is well under way. In former years, it was the practice to close down certain departments after the winter and spring rush was through, but this has been discontinued.

Demand from both at home and abroad during the past few months has been exceptionally good. Consequently all the plants are working full time, and in some instances double shifts have been put on. Sales have been on a broad scale in Canada, and in Europe, but orders have been nearly all cleaned up. There will be a period of inactivity for a few weeks. but work is expected to start again in full blast, when preparations will be made to meet the orders that have been secured in Australia, Argentine and South Africa. Sales in the southern hemisphere and on the other side of the world this season have been on quite as large a scale as in any past year, so that an exceptionally active Autumn's business is anticipated.

Prairie Business Good

Business from the Prairie Provinces last fall, was exceptionally good, largely due to the fact that farmers were free of debt and were anxious to replace a lot of their old, and worn-out equipment. If the West comes through with another good crop this fall, as seems quite likely, the company's sales should be large enough to enable plant operations at capacity until well on into the fall of 1928.

FOUR CANADIAN WALLPAPER FIRMS EFFECT MERGER

Connection With English Manufacturers Will Benefit Companies

A merger of four of the leading Canadian wallpaper companies, has been effected through the efforts of John T. Chasney, representing the Wallpaper Manufacturers, Ltd., of England. The new organization will be known as the Canadian Wallpaper Manufacturers' Association, Ltd., taking in the Watson-Foster Co., of Montreal; Colin McArthur Co., Inc., of Montreal; the Reg. N. Boxer Co., of Toronto; and Staunton's Ltd., of Toronto. No new financing will be undertaken in connection with the deal, the members of the new company coming in either on a cash and share basis, or for new stock only. What cash was necessary to swing the deal was provided by the English company, which has a capitalization of $25,000,000.

As far as is known, the Canadian Wallpaper Manufacturers' Association will only be a holding company, with the president of each member firm on the executive committee.

It is the intention to increase the capacity of the mills and to enlarge the amount of wall paper made in the factories. For the time being there will be no change in the operations of the individual firms forming part of the association. The presidents of the four companies will retain their postions and no change will take place in the management. Sales forces, as at present constituted, will not be altered.

Making Your Will

A Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Eleventh Article: COST OF ADMINISTRATION.

By RALPH C. GEDDES.

While a man is living he takes it as a matter of course that an agent whom he has appointed to transact some or all of his business shall charge a commission depending on the amount of work and responsibility involved. The duties of an executor are those of an agent charged with winding up all the estate of a deceased person, which carries with it the duty of maintaining the estate until he distributes it. The only difference in the two functions is that, whereas an agent is accountable to his principal, an executor is accountable to the beneficiaries; but this does not make his duties any less onerous. On the contrary, it undoubtedly adds considerably both to the work and the responsibility.

Aim to Protect Beneficiaries

The acts which prescribe and limit the duties of administrators, executors and trustees are all framed with the idea of giving the greatest possible protection to the beneficiaries. It follows then that they would not justify any expense to be charged against the estate which was not considered proper. As they do authorize a reasonable payment for this work, it must be because it is considered that the services performed are worth remunerating.

The fee to be allowed to the executor or trustee is decided upon by the judge when the accounts of the estate are passed. This is an audit of all the receipts and disbursements which is made before the judge of the Surrogate Court from which probate was granted. At this time, when what has been done can be followed from the statement of accounts before the court, the amount of work, and the quality of it can best be estimated. The executor is present to explain the details of any transaction either of moneys received or paid out. Needless to say, the judge is an impartial arbiter who will allow only what is reasonable and just.

Allow 2½ Per Cent. Maximum Fee

The maximum fee allowed on the realization of any asset is 2½ per cent., as and when the realization is made; and a like maximum fee is allowed on disbursements as and when they take place. According to the work and responsibility incident to either of these operations, the fee is graded downward from this maximum. It will be seen that, when any of the assets are to be held in trust, the fee allowed on the distribution of these funds is not received by the executor until the final division of the moneys or assets left in trust.

Also, where any part of the estate constitutes a trust, a small percentage is allowed annually for the care and management of the trust funds. This covers as well the investment and re-investment of any cash assets; the collection of the revenue and payment of it to the beneficiaries; the keeping of accounts and rendering statements of the same at regular intervals or whenever required. As a general rule the annual fee allowed is as follows:

½ of 1 per cent. on the money invested by the trustee in first mortgages.

¼ of 1 per cent. on the money invested in government bonds and municipal bonds and debentures.

From 3 to 5 per cent. of the revenue from assets taken over by the trusteee and held as part of the capital of the trust fund.

Trust Company Costs No More

It must be borne in mind that any executor or trustee is entitled to be paid on this scale or whatever amount below this maximum the judge may determine as a reasonable fee. The remuneration will be allowed if it is asked for, to anyone, whether a trust company or an individual who has performed the duties in a conscientious, satisfactory and efficient manner. Consequently, a testator does not render his estate liable to any greater expense in this respect by appointing a trust company than by naming any person or persons, for the court makes no distinction between them. The idea which many people have that trust company service is unduly expensive is entirely fallacious.

If the executor appointed is a member of the testator's family or an immediate relative, it is possible (though it does not always follow) that no fee will be asked for, and an apparent saving will be effected to the estate. But the danger of appointing an executor upon grounds of sentiment or by reason of relationship or friendship, unless he or she is thoroughly competent and otherwise fitted for the duties, has already been discussed. In such a case, the indirect cost may much more than offset any saving of the fee that has been made by entrusting the administration to less experienced or less able management than might have been obtained.

Why Experience Counts

If loss of capital occurs from the exercise of poor judgment in dealing with the assets, or if less income is derived from investments than might have been got with the same degree of safety, this all has to be added to the cost of administering the estate, for it could have been avoided. This may be an expense of which even the executor is not aware, since, if he is acting according to the best of his ability, he usually does not conceive of any higher standard.

In addition to the fee allowed to the executor and trustee, there are the fees charged by the court for the duties it is required to perform in connection with the administration. These are set out in a tariff, or scale of rates, graduated according to the size of the estate, and do not amount to any large sum. The fees chargeable by the solicitor who does the legal work necessary to obtain probate and wind up the estate are also governed by a tariff of charges set by the court. Succession duties, although they have to be paid during the course of the administration, are not properly an expense of administration, but are a tax on the property passing from the testator to those persons who are entitled to receive it.

NATION'S BUSINESS

(Continued from page 1)

of the lobster packing industry which resulted in an annual loss of $700,000. Another important investigation is that which has as its object the combatting of the cereal grain rust which has been costing the grain growers an average of $25,000,000 a year. The mining industry of Canada has already been vastly benefited by improvements secured in rock crushing methods by means of research work under the council. Great help has been given agriculture in the provinces of Quebec and New Brunswick by experiments which have discovered more successful methods of treating acid soils with lime. An investigation in British Columbia has as its object the creation of a drug manufacturing industry in that province through the cultivation of certain plants producing drugs and essential oils. In the same province another investigation has developed new means for producing an important chemical used largely for metallurgical and other purposes and has made possible the establishment of a new chemical industry. Important work has been done in the problem of the utilization of Canadian low grade ore for the replacement of the ore now imported in large quantities. In the promotion of reforestation valuable work is being done at the council's experimental stations.

• • •

OTHER countries with which Canada competes industrially and commercially have large national research establishments and spend vast sums on the work. The present intention of the government at Ottawa apparently is to place Canada on a parity with other advanced nations in this matter. Provision of national research laboratories has been urged during the last few years by such organizations acquainted with the value and possibilities of research work as boards of trade, chambers of commerce and manufacturing associations. Although a policy for the conduct of the institution will have to be worked out, it is likely that the laboratory facilities will be at the disposal of Canadian industries desiring to conduct researches in their own interests, these industries being required to pay the cost of such researches. A large part of the work of the institution will be for the general benefit of the country.

$313,000

City of Windsor

5% Bonds

Amount	Dated	Due
$101,000.00	Dec. 1, 1926	Dec. 1, 1927-1936
159,000.00	Dec. 1, 1926	Dec. 1, 1927-1936
53,000.00	July 15, 1927	July 15, 1928-1947

Principal and half-yearly interest payable at Windsor, Ontario.

Subject of Legal Opinion of Messrs. Long & Daly.

Assessed Value for Taxation, 1927	**$70,374,450.00**
Total Debenture Debt	**12,505,284.52**
NET DEBENTURE DEBT	**8,026,682.95**
Value of Municipality's Assets, Dec. 31, 1926	**14,887,538.55**

Population—61,095. Area—3,225.28 acres.

The City of Windsor and the neighboring towns of Walkerville, Sandwich, Ford City and Ojibway comprise what is known as "The Border Cities," undoubtedly the most rapidly growing district in Canada both from the standpoint of industry and population.

It occupies a strategic position for business and manufacturing, being served by several lines of railway and being on the line of traffic for all steamers up and down the Lakes. According to the latest available figures Windsor has 117 manufacturing establishments with capital invested of $19,201,885, employing 2,954, producing goods valued at about $17,000,000 annually.

According to the official figures the population of Windsor in 1919 was 31,629, while at the close of 1926 the population had expanded to 61,095. The activity of the city is shown by the figures of new construction, which indicate that all previous records were surpassed in 1926 when they reached $7,319,454—40% increase over the previous year. Postal revenues have over doubled since 1919.

Full particulars on request. Enquiries invited.

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Hail damage to crops this season to date has been lighter than usual, according to reports received at the office of the Hail Insurance Board of Alberta.

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TORONTO, JULY 15, 1927

TORONTO'S INVESTMENT

PURCHASE by the Toronto Transportation Commission of two interurban bus lines running out of the city enlarges the scope of municipal ownership in Toronto. Toronto owns and operates business enterprises with a capital value of over $120,000,000. Few cities anywhere in the world have achieved such a record in municipal ownership. Most of the citizens of the city are frankly proud of the city's record in this respect. Each year, however, more and more citizens question the wisdom of constantly swelling the debt represented by this investment in business enterprises and view with concern such gigantic examples of socialism in a city that must depend for its growth in the future upon the degree of encouragement that it gives to individual initiative and private capital.

A rough estimate of the business enterprises operated by the City of Toronto, together with an approximation of their capital value would be as follows:

Transportation:	
Street railway, buses coach lines, sight-seeing buses, ferries	$50,000,000
Electric light and power	25,000,000
Water supply	20,000,000
Market	500,000
Harbor development, including industrial sites, Amusement Park, etc.	25,000,000
Abattoir	400,000
Housing	750,000
	$121,650,000

Criticism of the officers of the Toronto Transportation Commission for their recent acquisition is beside the point. These officers are charged with the management of the system and their only instructions are to make a success of it. If they consider it necessary for sound operation, to tie in the bus lines radiating from the city they can only be judged by the ultimate success of this experiment. Fortunately the transportation commission system of Toronto, as in the case of the local hydro-electric system, seems to be very efficiently conducted by its salaried officials, and while both systems enjoy advantages that would be denied to a private business these advantages are apparently inherent in public ownership policy as it exists in Canada. In both systems the officers seem to have been remarkably successful in keeping out politics.

No, complaint should not be registered against the management of these utilities. but against the policy that has put them under public ownership and keeps them there. The T.T.C. and the Toronto Hydro should be as free from interference as the Canadian National Railways.

It is very much a question whether or not public ownership has brought Toronto the benefits the citizens think it has. Given, let us say, exactly the same management that they now have, but given also ownership by a group of private investors, the utilities could have been operated to give exactly the same service, at the same cost and yet have returned taxes to the city, relieved the city of debt burden, and encouraged private capital. A direct comparison between the Montreal Tramways system and the Toronto Transportation Commission indicates this.

Toronto citizens make the mistake of comparing the system they formerly had under private ownership with the system they now have under public ownership. Toronto refused to allow its former private owners to serve more than 17 square miles of city territory. It permits its present system to serve the entire city and districts beyond. It made it impossible for any group of owners, more far-seeing than those who were in charge of the Toronto Railway Company, to take over that enterprise and put it in a position to give good service at low cost. The city fathers thought that public ownership was the only solution of their transportation problems. They did not seem to realize that a proper private contract was an alternative solution much to be preferred.

Yet there is to-day no definite sign of a changing public viewpoint in Toronto on this question. The public utility baiters are still busy trying to embarrass the Bell Telephone and the Consumers Gas Companies, each of which is giving the city service at a cost less than any public ownership enterprise could provide it.

WHEN COMPETITIONS HELP

OFTEN new competition is a help in business. A store welcomes another store that helps to establish its district as a shopping centre, A periodicial in a certain field often welcomes the entry of another periodical in the same field as the two together can make that field more important. One maker of perfume, radio sets or golf clubs is better off for having many other manufacturers in the field, advertising the general advantages of perfume, radio sets or golf clubs and creating a larger market for all.

Halifax plans a new hotel. A community stock selling campaign is providing a portion of the necessary funds. At first glance, it would seem that a new modern hotel would wreck the business of the existing hotels of Halifax, which were built some years ago and therefore do not offer the most up to date in construction. But the Carleton Hotel does not think so. C. E. Cass, manager of that hotel, has published a large advertisement in Halifax papers supporting the stock selling campaign for a new hotel and welcoming it to Halifax. He says:

> "While the erection of the Lord Nelson may temporarily interfere with our business to some extent, we realize its necessity in the further promotion of the tourist business in Halifax and Nova Scotia, and we confidently expect that there will be adequate business for all the hotels in this city; if a real, concerted effort is made to establish Halifax as a great tourist centre."

This is the spirit of modern business; and the spirit which leads to success.

When a business fears competition, when it tries price cutting or some other suicidal policy to prevent competition, it is headed for the rocks.

FINE STORY WELL TOLD

THE current campaign of institutional advertising of the Canadian General Electric Company is doing a good work for Canada in arousing people to appreciate the latent possibilities in our natural resources. The campaign serves also to emphasize the importance to Canada of her industries, particularly her electrical industries, and thus aids in more intimate understanding by the general public of the real worth of the nation's industrial fabric.

Such campaigns as this one are most commendable in that they perform a public service at the same time that they win good will for the institution undertaking them.

The 1927 series of advertisements has been gathered together in portfolio form for limited distribution and in a foreword, D. C. Durland, president of the company, states:

> "The story of the great industries of the country is of vital and personal interest to every Canadian, but is often overlooked by the public and frequently by the industrial organizations themselves.
>
> "Yet the progress and prosperity of the nation literally hinge upon its industries. The development of natural resources, the upbuilding of cities and towns, the international status of the country, even the welfare of the individual, all depend to a large extent upon the great industrial and commercial enterprises within the nation's borders.
>
> "Canada is fortunate in her boundless heritage of natural wealth, in her strong young industries, in her thriving cities and her fertile soil. Canada is also extremely fortunate in having developed so extensively that power which is the greatest servant of progress and civilization—the power of electricity.
>
> "It may be stated without fear of contradiction that electricity has contributed more largely than any other single factor to the development of Canada's natural resources, to the progress of practically every branch of Canadian industry and to the comfortable living conditions of every Canadian citizen.
>
> "The Canadian General Electric Company, Limited, deems it a privilege and responsibility to assist so materially in promoting Canada's welfare and progress through its activities in the development and application of electrical power and light which are essential to the national, industrial and individual life of the Dominion."

A FLAG INCIDENT

THERE has been a flag incident in Nova Scotia but the only battle it led to was another skirmish in the continuous warfare between the two leading daily newspapers of the City of Halifax.

On July 1, it is apparent, someone hung a flag at half mast from a barn in Cannington. The Morning Chronicle played up the story and let it be known that this was the means taken by at least some Cannington citizens to express their disgust with the results of Confederation in Nova Scotia. To which the Halifax Herald replied with a long article headed "Distorted Reports Denounced" and an editorial condemning the Morning Chronicle for broadcasting disloyal propaganda.

The Herald declares that Cannington and its surrounding district have prospered under Confederation and says "there is no more loyal body of Canadian citizens to be found anywhere in Canada than right in Cannington."

The Cannington flag incident is, of course, unworthy of the attention it has been given. Undoubtedly it has been exploited in a manner ill befitting Confederation Jubilee. But that should not blind us to the fact that there are in Nova Scotia, people who are dissatisfied with Confederation. That they are in a very small minority; that their views are at variance with those of most Nova Scotians, and that they are frankly secessionists should not bar us from listening to what they may have to say and considering the reasons for their discontentment.

The Duncan commission did this. Adoption of the Duncan report should leave the secessionists without any reason for dissatisfaction. Most of the recommendations are now in process of being worked out.

Incidents such as this one at Cannington are to be deplored. Their unnecessary exploitation is also to be deplored. But it is far worse to ignore the spirit and causes behind them.

SAVING THE HALIBUT

PROPER regulation, by international co-operation, of salmon fishing in Pacific Coast rivers has prolonged the life of an important industry in British Columbia. It now appears that similar international action will have to be taken to save the halibut fisheries off the coast of British Columbia, particularly off the Southern Coast. The halibut fisheries of the coast comprise an important source of food for this continent and yet under present conditions they are admittedly on their way to disaster. Alarming depletion has occurred and fishermen are going further and further out to sea.

No steps will be taken by Canada and the United States to meet this situation until further investigation has been carried on. Very wisely, the international fishery commission is working with the fishermen to work out the proper and necessary regulations to save the halibut fisheries of the coast. The fishermen themselves, realizing the danger, are stated to be in favor of closing down some of the more depleted banks.

So long as such a spirit of cooperation and such a willingness for compromise exist, there need be no fear that the halibut fisheries of the coast can not be brought back to their former splendor.

OUTSIDERS AT THE BOARD

MURRAY WILLIAMS, Montreal stock broker, says "as a piece of unmitigated cheek, we have seldom seen anything to equal the attitude of British manufacturers who appear before our tariff commission to tell us what we should do, and not do, with our tariff."

The Federation of British Industries has issued a statement which says "There is reason for gratification at the good impression which the British woollen manufacturers create in Canadian circles."

As they say in Britain, "You pays yer money and you tykes yer choice."

It is not unfair to point out that the British woollen manufacturers were joined in their representations by the Dominion Merchant Tailors Association, a Canadian body composed of members, who, rightly or wrongly, prefer British to Canadian woollens.

Whether it was good tactics or not for the British to come, it can hardly be questioned that they were within their rights to make representations of fact.

EDITORIAL NOTES

A NEW Wrigley has arisen in Nedick's orange drink purveyors in American cities who sell $2,500,000 yearly of orange juice.

• • •

IT WOULD be a happier world if all apologies were so unequivocal as Henry Ford's amende to the Jewish race.

• • •

A NEW JERSEY woman is 104 years old. She attributes her great age to drinking tea and not dying earlier.

• • •

THERE is a surplus of diamonds in the world. Are there not as many engagements as formerly or have movies robbed vaudeville actors of their prosperity

• • •

THE Associated Dress Industries of America says profits on women's dresses have been going down. Probably in inverse ratio to the rise in the dresses themselves.

• • •

BOND dealers are offering bonds of the Deutsche Rentenbank-Kreditanstalt Landwirtschftliche Zentralbank. If they had to call it by such a name, Canadian farmers would not be so anxious to have a Central Farm Credit Bank.

• • •

UNITED STATES now has two billion dollar banks. Chase National, of New York, has passed that mark. National City Bank reached it in 1919 and now has $1,500,000,000, of assets.

Canada has no billion dollar banks yet, but at least four are on their way.

Cowboys Busy as Livestock Prices Rise

Scenes such as this still feature the daily life of Southern Alberta ranches. Cowboys branding a young steer.

Beef Comes Back and West's Ranches Enjoy Renaissance

By CHARLES F. STEELE,
Southern Alberta Correspondent, The Financial Post.

Out in the cattle country in Alberta and Saskatchewan they are talking of nothing but the revival in beef after the slump of the last few years.

"Beef is coming back," say the Stetson-crowned men of the range. The doldrums are over, prices are stiffening and there is a reawakening in the "cattle game" all the way down the line from the beef baron who hobnobs with the "upper crust" at the Ranchman's Club, Calgary, to the good-natured raw-boned cow-puncher who "sings to 'em" on the night herd.

Ranching in Western Canada flourished for years following the coming of the North West Mounted Police and the establishment of British law and order in a lawless region. Ranches were stocked with cattle brought in from Oregon and Montana and with plains knee-deep with grass and pure streams and lakes at hand to supply that other essential, water, the stock throve and the stockmen prospered. All the way down the foothills from Cochrane to the boundary and east to Regina the great cattle outfits, often with their headquarters in Montreal or Toronto, stretched. On a thousand hills and plains the herds grazed, successors to their distant cousins, the buffalo, which had disappeared but a few years before. That was the age of the ranch.

Pioneers Are Friendly Enemies

Then came the settler in the covered wagon and prairie schooner. From the east and from the south over the historic Fort Benton trail these pioneers of a new era came. The stockmen from their saddles saw this incoming army, a friendly enemy but an enemy quietly challenging his supremacy of the virgin prairies. So came the farmer with his plow, his fence lines, his town. For the town came with farm development in the West and it was just one more step from the town to the city.

The New West was born. Many of the old cattle outfits faded out of the picture. Others succumbed during the pinch of the post-war period when cattle slumped with the imposition of a stonewall tariff by the United States. There was a time in the good, old days of the range that grass-finished beef went to the Old Country. The Chicago market later became the predominating one and it is the natural one today although right now the Canadian home market is as good as any. In fact, fat cattle shipped to the United Kingdom this spring from the Dominion Experimental Farm at Lethbridge, were sold at a loss. They could have been sold at a profit in Toronto, Montreal or Vancouver. It was an experimental shipment, of course, and while the consignment showed a loss in dollars and cents it was profitable otherwise. But that is another story.

Scarcity of Cattle Raises Prices

There is a scarcity of cattle in the west today. A bad thing you say. The stockman doesn't say so. It may be responsible for an additional two-bits on your dinner check at your favorite steak and chop house but the stockmen are not kicking. It will be good for the industry in the long-run, giving it a chance to make an already belated comeback.

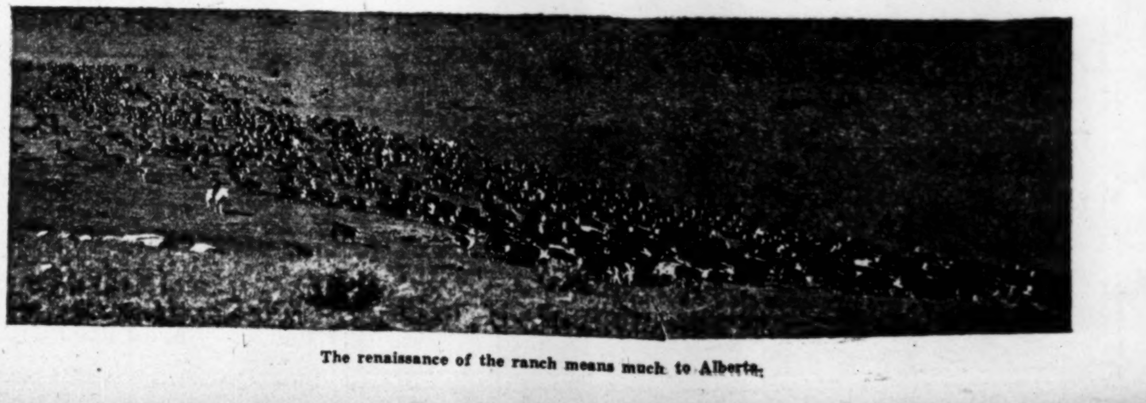
The passing of the big cattle outfits would rob the West of that last remaining link between the old and the new era. The glamor, the romance, the freedom of the range finds embodiment in the ropers and riders, bedecked in flapping chaps, clanking spurs, flaming shirts and neckerchiefs, and broad-brimmed hats—those big, breezy bronzed fellows one sees at the Calgary Stampede itching to throw a lariat at a slippery calf or a leg over "Midnight," "Gravedigger" or some other outlaw bucking horse.

And there are still a lot of those same fearless riding men in Canada's range country. Some of them have world-wide rodeo records; some of the best riders never perform for the money but are content to "do their stuff" at round-up time when there is a rodeo daily.

Alberta ranch life has allurements all its own. Lovers of the outdoor life, that exhilarating, thrilling life on the "tag ends of the earth," recognize this and are spending more and more of their time in the range country of that picturesque province. True, they soon learn that cowboys no longer pack six-shooters for "painting the town red," but that discovery doesn't detract from the interest found in the land where the "West begins."

The West is still "wild" enough, bully enough, different enough for one Edward, Prince of Wales, who is this year going to make another visit to his High River ranch. And it is rumored that Will Rogers has his eye on an Alberta ranch and plans on becoming a neighbor to the boss of the E.P. outfit. Someone suggests that the Prince of Princes and the Prince of Funmakers may have hatched up a "little party" during Rogers' recent visit to the Old Country.

And maybe all this is having something to do with the renaissance of the Ranch. It probably is for the E.P. ranch and others like it are doing much to preserve the Western Canada ranch as an institution. In a big, broad, open country it has its place and for many years to come the ranch will remain making its own, distinctive contribution to that West which no one wants to see depart.



The renaissance of the ranch means much to Alberta.

POST-Scripts

NO ONE will deny or depreciate the excellent work done by the Canadian Pacific Railway in advertising Canada. But one does not know whether to condemn or commend the "See This World Before the Next" organization, for the motion picture it released on Canada's jubilee celebrations. After the usual preliminaries, the film shown on the screen of a Toronto playhouse, carried the following sub-title: "Citizens of Montreal decorating the statue of Jacques Cartier, one of the Fathers of Confederation." Credit where credit is due, but we are certain that Jacques would be the last one to steal the praise due to that wonderful statesman George Etienne. But was the joke entirely on the film folk. The Toronto audience when they saw Mayor Martin "doing his stuff," loudly applauded the picture.

THE principal defects of our calendar as listed in a pamphlet put forth by George Eastman of Rochester are, first, that the months, quarters and half-years are of unequal length; second, that the month is not a multiple of the week (except February in non-leap years); and third, that, the year having one day over fifty-two weeks, the date of the month falls on a different day each year from that of the preceding year.

From these defects arise not only unnecessary inconveniences but "difficulties and confusion." there, is, for example, a difference of 11 per cent. between the length of February and that of March, with an even greater difference between the number of working days. There is not a common basis for comparing month with month. Confusion arises when income is on one basis and expenses are on the other. Moreover, a date cannot be determined with reference to the day in the week of a future year without calculation or consulting a calendar.

A committee of the League of Na-

(Continued on page 11)

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MAin 0321

FOLKS and Finance

SEVEN months after his appointment as general manager of Canadian Rail and Harbor Terminals, Toronto, Frank Kennedy has been elected president of that company, which operates Canada's largest dry and cold storage warehouse. The recent death of Sir John Willison left the presidency vacant and in recognition of the fine work he has done in getting the organization started on the way to what now appears to be certain success, the directors have elected Mr. Kennedy to the post.

Frank Kennedy was for twelve years manager of the Bell Telephone Company in Toronto, leaving that organization last December to take over his new job. Mr. Kennedy was brought up in the Bell Telephone Company. He spent thirty years of his life with that institution, although his photograph would not suggest that as possible. When he left the Bell Telephone Company he stepped into a line of work that was particularly unknown to Canada. His job was to fill 1,000,000 square feet of floor space in a terminal warehouse large enough to handle all the goods that stored in all the existing public warehouses of Toronto, and with most of the space left over. In other words he had to create new business for the warehouse in places where warehouse accommodation had never before been utilized. With the assistance of R. F. Crump, assistant general manager, he has done much excellent work in this regard and the warehouse, whilst not nearly filled, is ahead of the schedule established when it was opened.

FRANK R. KENNEDY.

A high order of sales ability, coupled with much driving force and personality are the chief qualities that Mr. Kennedy has taken into his work.

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Carling Brewery

What is your opinion of stock in Carlings Brewery?

Carling Brewery offers a good possibility to make some profit. Capitalization is rather high and the action of the stock in the market, since it was issued, indicates that the first flurry of excitement regarding it has died down and it will have to find its level in competition with other brewing stock. Under present circumstances it must be viewed as a speculative stock, and not without merit.

McColl Brothers

I have five shares of McColl preferred which cost me $110 per share. Should I cash these in at $107.50 a share or change into common shares?

If you accept cash for your 5 pref. shares in McColl Bros., you will receive $107.50 per share. It you convert into common stock you will have 15 shares of common stock worth approximately $40 a share or the equivalent of $120 for each preferred share.

There is, of course, no question as to what you should do! you should convert your shares into common stock.

Laura Secord

Would like your opinion of Laura Secord which has fallen from the recent high. Do you think they will be able to pay a dividend this year?

While Laura Secord common is selling below its recent high level, there is no reason why investors who have bought this stock for ultimate profit, should worry. Earnings are certainly sufficient this year to warrant declaration of a dividend on this stock. Of course, the directors may decide to preserve the company's assets and defer dividends. The current estimates have it that earnings are running between $3 and $4 a share this year. These are entirely unofficial as the company has given out no statement.

Famous Players

Is the cut in the salaries of motion picture actors and actresses likely to have any adverse effect on Famous Players Canadian Corporation?

The cut in the salaries of motion actors and actresses should not have any effect on the Famous Players Canadian Corporation, except insofar as it may reduce the cost of the films which they show. The cut in salaries has had a stimulating effect upon the motion picture business in the United States. The recent decline in motion picture shares is due to the conditions in the industry which made the cut in salaries necessary.

Undoubtedly the motion picture industry has been very extravagantly operated and the heads of the business are now evidently determined to set things out in order.

Arnold's

Would be glad to have your opinion of Arnold Brother's common stock as an investment for a business man. This stock has taken quite a drop in price lately and would be glad to know if there is any reason for this outside of the market fluctuations.

The price at which Arnold Brothers common sold at about the time of the recent acquisition of Martin Stores, was very high, considering the assets and present earning power of the corporation. It is not surprising that it has shown some considerable drop as the former price discounted the future to a considerable extent.

At about the present level, the stock appears to be quite attractive as a speculative investment. However, we should not like to express a final opinion. The president of the company is in Europe, and when he comes back more information will be forthcoming about the company.

Burt or Page-Hersey

In your last issue you advise the purchase of Page-Hersey common. I have been watching this stock for some time but came to the conclusion that F. N. Burt common would be a better buy. They have no bonds ahead and practically no preferred stock, and last year, counting the amount spent out of earnings on the Buffalo factory, must have earned around $9 per share. Would you not think that Burt would be a better buy as it sells about $10 cheaper and pays the same dividend?

In Page Hersey common and F. N. Burt common, you have two stocks of somewhat different character. Page Hersey is in one branch of the iron and steel business and sales are likely to show greater fluctuation from year to year than the sales of F. N. Burt. However, its earning power at the present time is undoubtedly higher than that of the F. N. Burt Co., and in view of the promising outlook for business in Canada at the present time, we are inclined to think that the advance in Page Hersey during a period of, say, three years, is likely to be much greater than the advance of F. N. Burt, over a similar period, although it is probable that over a longer term of years an investment in F. N. Burt would outdistance the other.

Manufacturers' Finance

A client of mine is investing in the guaranteed receipts of Manufacturer's Finance on the instalment plan. What do you think of this investment?

Manufacturers' Finance Corporation is well managed and is apparently experiencing good expansion in its field, which is the discounting of commercial paper, such as instalment liens on pianos, automobiles, etc. The guaranteed investment receipts are well secured and are from the standpoint of security and return reasonably are good investments. They do not enjoy a very high degree of marketability and if this is an essential factor in the securities your client desires for his investment list, these receipts may not prove to be the best investment for him.

However, the company is doing very well and has protected these receipts in satisfactory fashion.

U.S. Steel in Canada

Can you give me particulars as to United States Steel Corporation subsidiaries in Canada?

The only Canadian subsidiary companies or plants of the United States Steel Corp., to which reference is made in their annual report, are:

The Canadian Bridge Company, Walkerville, Ontario.

American Steel & Wire Co., Hamilton Works, Hamilton.

U.S. steel operates a sales subsidiary in Canada, under the name of The United States Steel Products Co., with office in the Royal Bank Building, Toronto. United States Steel Corp., built a plant at Ojibway, Ontario, near Windsor, early in the war. This was owned by a subsidiary company, known as the Canadian Steel Corporation. It is not visibly shown as an asset in the balance sheet of the company.

Imperial or Tuckett

Do you think that Imperial Tobacco Co. Common Stock around $7.00 would be a good stock to buy for a permanent investment? I understand that their financial position is very strong. Or would you recommend Tuckett Tobacco in preference to Imperial?

Imperial Tobacco Company, and Tuckett Tobacco Company, are both rather attractive for fairly long term investments. The yield is small on both stocks at the present time. Imperial Tobacco Company has a very high good will account showing nearly $29,000,000 as an asset in this regard. This is by far the largest good will item in any Canadian balance sheet. Undoubtedly the company's good will is worth a very large sum as determined by its very high earning power. Between 1921 and 1926 the company's surplus increased from $4,300,000 to $8,400,000. Tuckett's Tobacco yield is somewhat higher at the present market price. It is a smaller company but is very well established.

Between the two companies, we would be inclined to favor Tuckett's Tobacco because of the higher present yield and because of its very aggressive management. But the choice between the two companies is not easy to make.

Canada Cement

I would appreciate your opinion of the common shares of the Canada Cement Company. I hold a block of this stock and whilst appreciating the soundness of the company, it occurs to me that at present prices the stock yields only 4 per cent. Thus it might be worth while to sell out and to purchase some shares which will bring me in an increased return. All this provided, of course, there is not some pending development in the company which warrants present prices. I would appreciate having your advice on whether I should sell out or hold on.

Our opinion of the common shares of the Canada Cement Company is that they are an excellent investment for a long hold. When the company has redeemed its bonds two years hence the position of the common shareholders will be strengthened and we believe that by that time the shares will return you a handsome market appreciation. In the meantime, we do not look for an increase in the dividend rate.

At the present time, it is practically impossible to obtain a security which at one and the same time returns the investor a good yield and gives every indication of a steady market appreciation over a term of years.

You must take your choice. If you desire to obtain a better yield, you should purchase either a bond or some sound preferred stock. The common shares of Canada Cement Company look like an extremely attractive investment to us and one which we believe you will not regret.

Gull Kirkland

What is new about Gull-Kirkland? Has it a chance?

Gull Kirkland is a speculation. The company has holdings in Gull Lake east of the producing section of Kirkland Lake. The writer has often thought that this area has an excellent chance and this company is evidently giving it a real testing. Evidently they have not had any spectacular results to date but they are making a commendable effort.

Canada-U. S. Oil

Can. U. S. Oil was taken over by Lewis Oil Corp. and now they are to be further amalgamated with California Eastern Oil and Julian Petroleum. Will this help any?

The ramifications of Can.-U.S. Oil have got almost beyond us. We were unable to-day to figure out just where shareholders stand, although we have never doubted where they would end. It was in 1922 that we first warned against this operation. We will get in touch with the Better Business Bureau, N.Y., and see if we can get the facts, and if successful, will publish.

When Women Invest

One Woman, by Wise Investment, Turns $1,000 Into $80,000 in Sixteen Years; Used Common Sense.

By MARJORIE B. SCAMMELL.

When a woman first enters the field of investment, she usually brings with her a certain innate cautiousness, which, unfortunately, she often flings to the wind at a later date, particularly if she has had the good fortune to make a little money on her first purchases.

One of her great drawbacks in this regard is that although she has the gift of delving into the whys and wherefores of so many things in which she is particularly interested, and would never think of purchasing even her ordinary requirements without judging the value for herself, or having the opinion of an expert (and even then, she likes to see for herself, sometimes!), yet in a matter as vital as the class of securities she should buy she has been known to get them because so-and-so and so-and-so have got them, and she considers that a perfectly good reason. When asked if her shares are eally valuable, she says, "Oh yes, I think so, because so-and-so was told by somebody else that they were going to advance in price very rapidly, and she has bought some, so they ought to be all right!"

What One School Teacher Did

But this is not always the case. A short time ago we heard of a young lady investor proving that her sex can know a lot more about finance than is generally supposed. The lady in question is a school teacher, and she invests her savings with amazing understanding, according to her broker. Some sixteen years ago she started with an investment of $1,000; to-day she has over $80,000 invested in stocks and bonds as a result of her own judgment. As often as not she goes further than reading about her investments, she visits the actual scene of operations, and judges for herself the advisability of purchasing the stock. Some of her most profitable investments have been in stocks of local dry goods stores. She has now a block of gas and utility stocks which are bringing in a nice income, together with steadily increasing market equities.

She seeks the advice of a good broker. she studies the markets, she investigates, as far as possible, the value behind the statements regarding the stock, she buys her shares outright, and she uses sane judgment in dealing with the matter.

There is a great deal more in buying stocks and bonds than merely paying for the certificates. If that is all the interest taken it is a mere gamble, and can hardly be called an investment. Of course, there are always factors outside the actual solidity (or otherwise) of the shares themselves which affect the rise and fall of the price, such as the general trend of the market, certain "good news" leaks out and causes unusual demand, the forcing up or down of some particular stock, or an unaccountable nervousness on the stock exchange. But if the stock is really valuable, if the material and production behind it are good, if the market for the product is stable, and the company is a reliable one, the security will bring returns, even if purchased at the peak. If a mine, for instance, is producing, and the mineral is being properly and economically extracted, treated and distributed, there must be money for the shareholders, but if there is no production—just a tract of land away in the nowhere, with a promise of untold wealth—the investment may prove a profitable one, but in all probability it will not.

The young lady mentioned above bought securities the value of which she could see for herself. The results have borne out the wisdom of her method. Securities can be made most profitable to the purchaser if the proper amount of investigation and judgment are used.

POST-SCRIPTS

(Continued from page 10)

tions that is considering calendar reform has before it a plan which it is claimed meets better than any other the needs of business and other interests, and has the support of the Association for the Advancement of Science. It consists of thirteen months of equal length (28 days), with an added day between Saturday the last day of December (28th) and Sunday the first day of January, and in the leap-year another day between first day of July—these days to be treated in business as "blank days" and to be observed as universal world holidays.

Among the advantages of such a plan are these: all months would have the same length; the day of the week would indicate the monthly date; the period of earning and spending would be the same; holidays would occur on the same week-day; adjustments between months of different length would be no longer necessary. There seems to be no good reason for not adopting it except the trouble of making comparison between the years before and after the reform.

But how are we going to get the world to adopt a new calendar? The New York Times says all that seems to be wanting is a Julius Caesar or a Pope Gregory to decree what the convenience of the world requires. Perhaps the League of Nations will assume this role and recommend an Eastmanian calendar.

Preferred Shares For Good Yields

Preferred shares of well established corporations frequently afford opportunities for sound investment as well as possible profit. Holders have definite priorities over common stockholders, as regards distribution of both assets and dividends. In most cases, preferred dividends are cumulative, and are higher than bond interest rates. As shares are normally issued in $100 units, they can be purchased by investors of comparatively small amounts.

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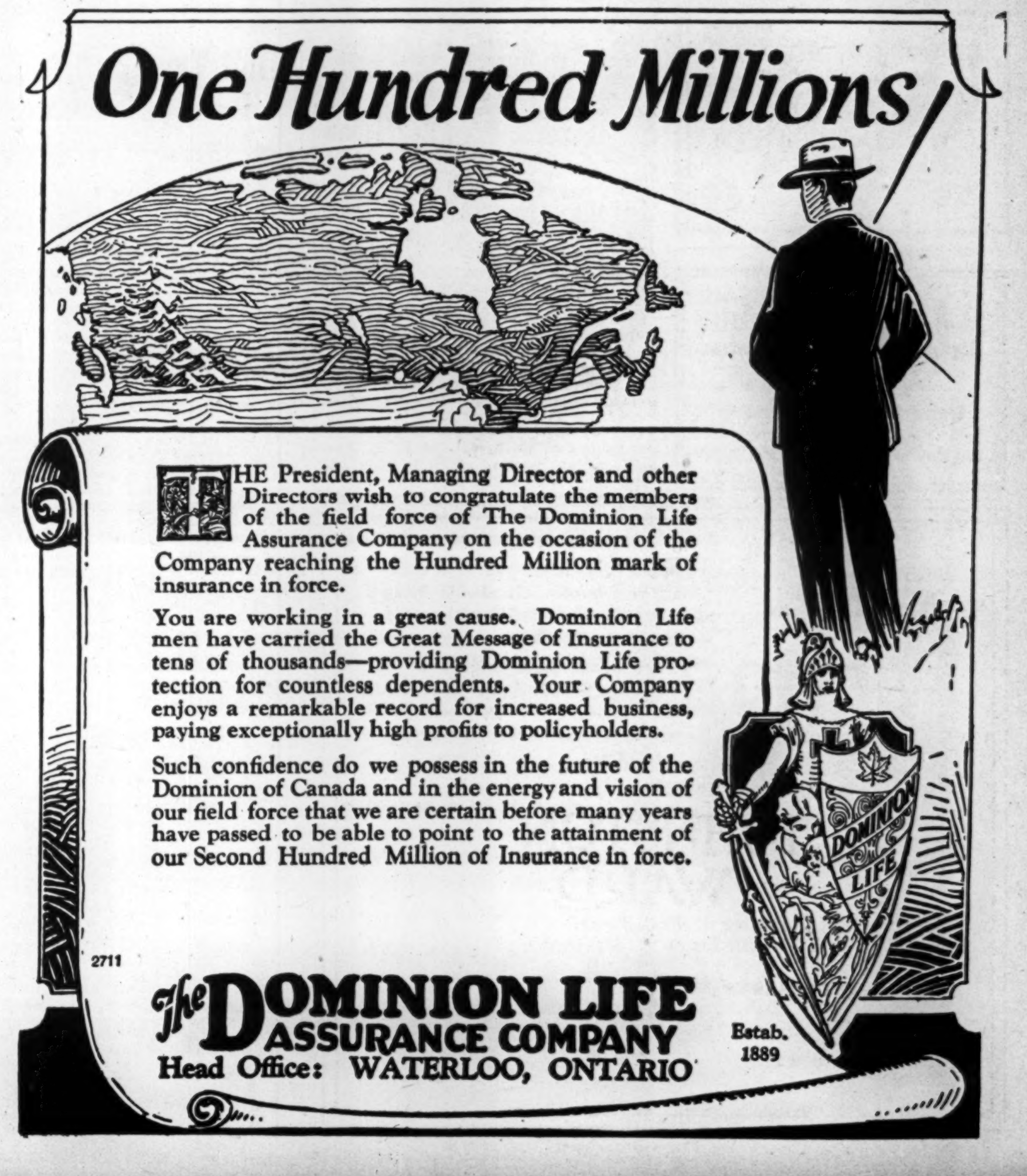

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START CAMPAIGN TO FINANCE NEW HALIFAX HOTEL

Preferred Stock of Lord Nelson Co. Offered to Public

Provided preliminary financing comes up to expectations, work will shortly be proceeded with on the construction of a 200-room hotel in Halifax, to be known as the Lord Nelson. H. R. Bain and Co., of Toronto, have undertaken the necessary financing and an offering of $250,000, first preferred shares, part of a total authorization of $640,000, is being made in Halifax and throughout the province of Nova Scotia. Of this initial offering, $50,000 has already been taken up by the directors on their own personal account.

The question of providing better hotel accommodation in Halifax has been come up periodically, but nothing definite was done until this year, when the Lord Nelson Hotel Co., was incorporated. Both the Canadian Pacific and Canadian National Railways are interested in the project, particularly the latter. Plans and specifications will be submitted to the hotel department of the Canadian National Railways. Moreover, the financial structure has already been submitted to the directors of the C.N.R., who in turn have recommended to the Dominion Government that the railway company be authorized to subscribe for $250,000 of the present issue of preferred shares. The Canadian Pacific has also signified its intention of taking up $100,000 worth of the same stock.

Will Cost Over $1,000,000

The total cost of the new hotel will be $1,240,000 and it is expected that it will be erected on the Dwyer property facing the public gardens. The building will be of fireproof construction, in a modified Georgian style of architecture. The greatest number of rooms will be provided with private baths. There will be ample public floor-space for regular patrons and also for special entertainments, such as ball-room, banquet hall and private dining rooms on the first and mezzanine floors.

The capital provided will be ample to build and equip the hotel ready for occupancy also to provide the necessary working capital. As far as possible, local labor and materials will be used in the work.

Local Men on Board

The officers and provisional directors of the Lord Nelson Hotel Co., are well-known Halifax business and professional men: president, H. R. Silver; vice-president, J. H. Winfield; secretary, Col. S. C. Oland; provincial directors, M. S. Clarke, R. B. Colwell, F. G. J. Comeau, W. H. Dennish, J. G. Farquhar, Gordon B. Isnor, R. J. Macadam, Dr. J. G. MacDougall, Dr. H. J. MacDonald, J. G. Rainnie, J. McG. Stewart, K.C., and F. H. Swicker.

$640,000
Lord Nelson Hotel Co., Ltd.
7% Cumulative Redeemable Preference Shares

Company—Incorporated under laws of Nova Scotia for the purpose of acquiring and operating a hotel in the City of Halifax.

Hotel—Will contain 200 rooms and other usual facilities, equipped and finished in the most up-to-date manner.

Capitalization—6½% first mortgage sinking fund bonds, $600,000 to be authorized, $600,000 to be issued. 7% cumulative preference shares (this issue), $640,000 to be authorized, $640,000 to be issued. Common shares, 3,200, no par value.

Railways—Plans and specifications and capital structure have been submitted to the Canadian National Railways for approval. The latter will recommend to the Government an investment of $250,000 in the present stock offering. The Canadian Pacific Railway has also signified its intention of taking up $100,000 of the preferred shares.

Earnings—It is estimated that gross earnings for the first full year's operations will be $246,456, against which operating expenses, etc., amounting to $105,225 will be charged, leaving a balance of $141,231 available for bond interest and preferred stock dividends amounting to $83,800.

Redemption—Redeemable upon 30 days' notice at 102, and dividend.

Bonus—One common share no par value for every five preference shares subscribed for.

Offered—H. R. Bain & Co., at $100 per share to yield 7 per cent.

Canadian Canal Traffic in June Lighter Than Last Year

The record volume of traffic on Canadian canals during the month of May was not maintained during June. excepting that for the St. Lawrence Canals, which reached a new high record. According to the Bureau of Statistics grain traffic on the Sault Ste. Marie canals was considerably lighter than in June last year, wheat shipments being less by 19,713,000 bushels and other grains by 8,304,493 bushels. Iron ore was heavier by 67,270 tons and coal by 525,766 tons, but the total traffic, amounting to 12,613,401 tons, showed a decrease of 296,712 tons from the mark set in the same month last year.

While the total traffic on the Welland canal was lighter than for May, it was heavier than for June, 1926, by 41,814 tons, and the total for the season to the end of last month was heavier than in the same period last year by 751,207 tons. Corn, oats and wheat were lighter, but coal and sand were heavier.

Traffic on the St. Lawrence reached a new high record, exceeding the May, 1927, tonnage by 117,257 tons. Rye showed on increase over last year of 111,753 tons, pulpwood an increase of 30,553 tons, bituminous coal an increase of 41,701 tons, and sand an increase of 35,514 tons, the total being heavier by 151,005 tons.

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Investment Market News

OFFER DETROIT-WINDSOR BRIDGE BONDS NEXT WEEK

$20,000,000 of Financing For Big International Structure

An offering of $20,000,000 worth of bonds and debentures of the Detroit International Bridge Co. will be made simultaneously in Canada and the United States probably at the beginning of next week. The Canadian end of the deal will be handled by a syndicate headed by Dominion Securities Corp., Royal Securities Corp., and McLeod, Young, Weir and Co., while the American offering will be made by Hemphill Noyes & Co., and Peabody, Houghteling & Co. There will be offered $12,000,000, 25-year first mortgage bonds and $8,000,000, 25-year participating debentures.

Proceeds of this issue will be used in the construction of bridge between Detroit and Windsor, as exclusively announced in The Financial Post last week. The bridge will be built on private property, as the company has arranged to acquire all the real estate for its approaches. It will offer shortest routes from points north of Fort Wayne, Ind., to points in Eastern Canada via Niagara and Toronto, over the new King's highway. It is so located that it will eliminate the necessity of passing through the congested di'stricts of Detroit and Windsor.

The bridge proper will be of suspension type about 7,542 feet long, with a centre span of approximately 1,850 feet. The total length of the bridge, with the approaches, will be about one and three-quarter miles. The deck will provide for a 47 foot roadway, sufficient for five lanes of vehicles and an eight foot sidewalk for pedestrians.

One span of the structure, approximately 1,850 feet, will be the longest ever built, being 250 feet longer than the Brooklyn bridge span and 100 feet longer than that of the Philadelphia Camden bridge.

The idea of an international bridge across the Detroit River has been mooted for over thirty years, but Joseph A. Bower, a Detroit man, vice-president of the New York Trust Co., is the first to succeed in interesting powerful enough groups to assure the pushing such a project to successful completion. Mr. Bowers has also brought into existence the Peace Bridge between Buffalo and Fort Erie. It is said that he worked five years securing the necessary franchises and financial support for the Detroit International bridge.

The structure will be erected by McClintic, Marshall Company, builders of the Camden bridge, which is at present the largest toll bridge in the world, but which will be superseded by the Detroit International. Ralph Mojeski and Clement E. Chase, consulting engineers, have approved plans for the bankers handling the financing.

It is set forth in the contract with the engineers that bridge is to be completed by September, 1930. It is possible that the structure may be completed before that time, but in any event traffic will be able to use the new connecting link between Canada and the United States in three years time.

FOREIGN EXCHANGES

Dull Trading in Foreign Exchange

Foreign exchange business in the past week was exceptionally quiet. The fact that France, Italy and other important European countries have taken steps to peg or stabilize their currency at current levels, has tended to discourage speculation and buying has been largely on account of immediate commercial requirements. As far as New York funds are concerned, there has been no new development of any consequence. It will be at least two or three months, or until the new crop starts moving, before any pronounced change will take place. Meantime ordinary commercial transactions will be the dominating influence.

Sterling exchange has come in for more attention during the past few days, pressure having appeared owing to the recent sudden increase in capital flotations, especially foreign loans in London. An additional influence has been the fact that London money rates have not risen so as to bring in compensating short-term foreign funds. Borrowing has been especially heavy from German sources and it is anticipated that further large advances will be made. On the other hand, there has been no unusual commercial pressure on sterling at present. Cotton and grain bills have not yet entered the market in any volume, but they will become more apparent in the next couple of weeks. For the time being, existing money rates between London and New York discourages the flow of surplus funds between the two markets.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
	(Premium)		(Discount)	
July 7	5-32	9-64	7-65	7-65
July 8	5-32	5-32	3-32	1-8
July 9	5-32	5-32	1-8	9-64
July 11	5-32	9-64	1-8	1-8
July 12	9-64	1-8	9-64	9-64
July 13	9-64	1-8	9-64	9-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
July 7	4.85⅛	3.91½	5.46
July 8	4.85 3/16	3.91½	5.44½
July 9	4.85⅛	3.91½	5.45
July 11	4.85 5/32	3.91 5/16	5.43¼
July 12	4.85 3/16	3.91 5/16	5.43½
July 13	4.85 3/16	3.91 5/16	5.43½

FOREIGN EXCHANGE

Par		July 6	July 13
13.90	Italian	5.47	5.44
32.45	Brazilian	11.73	11.83
23.82	German	23.73	23.77
19.30	Belgian	13.92	13.92½
84.85	Japan	47.45	47.20

EASTERN STEEL WILL DO FINANCING

Newly Organized Concern Will Shortly Issue Stock

New financing will shortly be undertaken in connection with the recent acquisition of the Metal Shingle and Siding Co., by the Eastern Steel Products. It is understood that no bonds will be offered, and that the securities issued will most likely be common stock, with a small amount of preferred.

The Eastern Steel Products will continue to operate the plants of the old company, located at Preston, Montreal and Toronto. Nor will there be any change in management. Cyrus Dolph who founded and organized the Metal Shingle and Siding Co., in 1897, will continue to act as president of the new company, Eastern Steel Products, A. K. Cameron, vice-president, who opened the Montreal plant in 1906, and has had personal charge of it during the intervening years, will be vice-president and general manager of the new company. J. G. Lorriman, who has been with the company for many years, will continue as manager of the Preston plant, and W. S. Cameron will have charge of the Toronto subsidiary, the A. B. Ormsby Co.

James Playfair of Midland has taken a substantial interest in the new company and will act on the board. In addition, Frank M. Ross, president Montreal Dry Docks Company, Montreal, and Harold A. Greene, president of Bankers' Bond Company, Toronto, both close associates of Mr. Playfair, will also be on the board of directors.

Windsor Arms Bond Issue Meeting With Good Reception

It is understood that the recent issue of $350,000, 6½ per cent. bonds of the Windsor Arms, Ltd., brought out by H. W. DeGuerre and Co., is meeting with favorable reception.

Proceeds of this issue will go toward financing the construction of a modern, high-class, fireproof apartment hotel in the city of Toronto. The building will contain 94 suites, in addition to a large rotunda and office and lounge, laundry, storage space, receiving room, drying room, etc. Completion of the apartment is scheduled to come by the end of this year.

Victoria House Underwrites Holsum Packing Co. Issue

A small issue of $20,000 cumulative pref. stock of the Holsum Packing Co., is being offered publicly by Brown Bros. and Allan, Ltd., of Victoria. The company was formed last month for the purpose of taking over the assets and liabilities of the Holsum Products Co., as of May 31, 1927, paying for the same in common stock of the new company. A certificate has not yet been obtained entitling the company to commence business, but one will be issued when the minimum subscription has been secured.

The business of manufacturing pickles, sauces, etc., will be carried on as at present in the Vancouver plant, while the manufacture of jams, jellies and the canning of fruits and vegetables will be carried on in the Old Laurel Cannery at Lake Hill. This plant is advantageously situated in relation to the berry growing district and the Fruit Growers' Association have promised their co-operation and assured the company of a supply of fruit.

$20,000
Holsum Packing Co.
7% Cumulative Preferred Stock

Business—Manufacturers of jams, jellies, pickles, sauces, etc., at Vancouver and Lake Hill, B.C.

Capitalization—7 per cent. cumulative preferred stock ($10 par), $50,000 authorized, $20,000 to be issued; common stock ($1 par), $50,000 authorized, $30,000 to be issued.

Purpose of Issue—To supply additional plant and working capital. The company has agreed to take over the assets and liabilities of the Holsum Products Co., as at May 31st, 1927.

Management—Operations will be under direct supervision of men well known in the industry.

Equity—Net assets behind each $10 share of preference stock will be more than $20.

Earnings—Net profits are estimated at more than four times dividend requirements.

Offered by—Brown Bros. and Allen, Ltd., at a price of $10 a share to yield 7 per cent., carrying a bonus of one share of common with each share of preferred.

Daly and Denman Publicly Offer Zimmerknit Refund

A public offering was made this week of the 7 per cent. cumulative redeemable preference shares of Zimmerknit, Ltd., by R. A. Daly and Co., and Denman and Co. The stock was sold at $100 per share, with a bonus of one-half of no par value common stock.

Zimmerknit, Ltd., the business of which was founded in 1907 by A. F. Zimmerman and the late Adam Zimmerman, owns and operates a thoroughly modern textile manufacturing plant at Hamilton, Ont. Its chief products are underwear, hosiery and knit goods. The company employs from 500 to 700 skilled textile workers and its output is sold in Canada, from coast to coast, and finds a ready market in Australia, New Zealand and other parts of the British Empire.

Fixed assets of the company, at net depreciated value, as of Feb. 15, 1927, stood at $798,756, while net current assets as at April 30 last, after making provision for all current liabilities, amounted to $402,315. The combined net tangible assets, therefore, amounted to $1,202,236, or equal to $200 for each preference share.

The average annual earnings of the business now owned by Zimmerknit, Ltd., after depreciation and income taxes, available for preference dividends, for four years from May 1, 1923, to April 30, 1927, have been $69,271, or 1.65 times preference dividend requirements, and at the rate of $1.09 per share on the common stock after provision for preference dividends. Net earnings for the year ended April 30, 1927, amounted to $107,974, which is 2.57 times preference dividend requirements, and at the rate of $2.64 per share on the common, after allowing for preference dividends.

Application will be made in due course to list the company's shares on the Toronto Stock Exchange.

Tooke Brothers Earnings Should Be Increased

From Our Own Correspondent.

MONTREAL. — Earnings of Tooke Brothers are understood to be running along at perhaps a little better level than a year ago. The company's fiscal year ended June 30 and it is thought that when the figures are made up they will reveal net earnings applicable to the preferred stock a little in excess of the 1926 figures. Last year the company earned 7.19 per cent. on its preferred.

Last February the preferred dividend arrears of the company were liquidated by a common stock distribution to the preferred shareholders. At the same time the 7 per cent. dividend payments were resumed.

It is certain that earnings must be equal to last year's level for earnings in 1926 were just equal to dividend requirements. Obviously, the management would hardly maintain dividends this year on the preferred stock unless they were being earned.

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C. S. L. AND TRAM BONDS SELLING OUT OF LINE?

Steamers 6's and Montreal Tramways First Mortgage Bonds Sell Low

From Our Own Correspondent.

MONTREAL.—Two issues of high-grade bonds appear to be selling out of line with other securities of a similar character. These issues are: the Canada Steamship Lines, 6 per cent., general mortgage, 1941 bonds, and the first mortgage bonds of the Montreal Tramways Company.

The "Steamers" bonds have changed hands at 98.50—giving a highly satisfactory yield for a bond of this type. They were sold both in Canada and in the United States. Perhaps this is one of the reasons why the issue is not more popular. In the U.S. there is little real appreciation of the immeasurable improvement in the company's position which has taken place over the past few years. Then again, before Mr. Coverdale's advent into the affairs of the company, those in control of the property lost the confidence of investors, and probably some doubt still remains in the minds of many regarding the improvement in the company's position.

Earnings Are Satisfactory

In 1926, to meet bond interest, depreciation and all charges amounting to $2,586,981, the company made net earnings after operating expenses of $3,798,390. Furthermore, it is certain that these earning figures are conservative for Mr. Coverdale's record with the Canada Steamship Lines and with other companies is one of conservative and sound accounting methods. This is borne out in the great betterment which the company has undergone since he first became its president.

As far as the position of the company this year is concerned no earning figures have been made public—but the figures of canal traffic indicate that earnings must have increased. In May traffic through the Soo canal showed a substantial increase and traffic in the Welland canal is up 60 per cent. The traffic in the St. Lawrence canals shows an increase of 47 per cent.

Debentures Being Retired

Ranking senior to its $18,000,000 issue of 6 per cent. general mortgage bonds, there is outstanding a five per cent. issue of debenture stock amounting to $4,527,905. But under the trust deed, the company agrees to pay at least $400,000 a year to the sinking fund of its senior mortgage issue, and to retire annually at least $50,000 of the 6 per cent. bonds. By 1936 the 5 per cent. debentures will be redeemed and the entire sum of $450,000 annually will be used to retire the 6 per cent. bonds.

This year, the earnings of the company will naturally benefit, not only by the increased traffic, but also by increased economies resulting from the acquisition of the ships of the George Hall Coal & Shipping Corporation, and the Great Lakes Transportation Company. While the additional ships were acquired over a year ago, the utmost in the way of economies could not have been effected in one season's operations.

Is Not a Monopoly

While the Canada Steamship Lines is not a monopoly, yet it is the dominant carrier on the Great Lakes, and the statistics of canal traffic provide an excellent index of the company's operations.

The second issue which seems to be selling out of line is the 5 per cent., first mortgage issue of the Montreal Tramways Company. The bonds are changing hands around 99¼. They are due in 1941 and there are outstanding $21,351,000. The issue constitutes a first charge on the undertakings and properties of the Montreal Tramways Company.

The Bell Telephone 5 per cent. bonds are selling around 102½—a yield basis of 4.84 per cent. This compares with a present yield from satisfactory municipal bonds of around 4.70 per cent.

Comparable to Municipals

Yet, the Montreal Tramways 5's may well be placed in the municipal bonds class because of the satisfactory agreement which the company has with the city. But the company's first mortgage bonds will yield over 5 per cent. Moreover, ranking junior to the first mortgage bond issue there is a general mortgage issue of $20,326,500. Thus, it can be seen that the Montreal Tramways first mortgage 5's are comparable to a municipal issue, and thus return a good yield considering the assets and assured earnings behind the bonds.

The contract between the city of Montreal and the tramways company allows the latter to earn a fair return on its investment. To achieve this end, rates may be either raised or lowered. Last year, after liberal charges of every kind, the net earnings applicable to the first mortgage bond interest amounted to $2,805,726, whereas interest charges on the issue amounted to only $1,067,550.

Tenders and By-laws

July 20. City of Shawinigan Falls, P.Q.—$88,500, 5 per cent., serial bonds. A. J. Meunier, Sec.-Treas.

July 21. Village of l'Enfant Jesus, P. Q.—$40,000, 5 per cent. serial bonds. L. J. Gagnon, secretary-treasurer.

July 28, Township of King—$31,000, Township of King, 5 per cent., 30-year debentures. J. L. Jenkins, Township Clerk, King City.

Aug. 4, Kenora—$138,773, 5 per cent., 26 and 30 instalment debentures. F. J. Hooper, treas.

July 25, City of Hull, P.Q.—$202,000, 5 per cent., serial debentures. H. Boulay, city clerk.

July 25, School Municipality of Escoumains, P.Q.—$10,000, 5½ per cent., serial bonds. J. Boulianne, sec.-treas.

Saskatchewan

Authorizations granted by the Local Government Board from June 25 to July 1, 1927:

Schools—Wiseman, No. 924, $2,100; Confederation, No. 4704, $4,000; Melville, No. 2187, $30,000; Motherhill, No. 2659, $2,500; Stonen, No. 892, $2,000; Newburg, No. 4603, $4,000; Turtleford Village, $1,000; Lloydminster Town, $18,000.

Debentures Reported Sold

Pilot, N.D., No. 2532, $2,000, 10 years, 5¾ per cent., C. C. Cross & Co., Regina; Val Marie, No. 4636, $8,100, 20 years, 5¾ per cent., Waterman-Waterbury Mfg. Co.; Coates S.D. No. 1325, $2,000, 15 years, 5½ per cent., C. C. Cross, Regina; Lebret S. D. No. 12, $8,500, 15 years, 5½ per cent., Houston, Willoughby & Co.; Hopewell. No. 1224, $3,500, 10 years, 5 per cent., C. J. Nelson, Radisson; Lawtonia, No. 3832, $7,500, 10 years, 5½ per cent., H. M. Turner & Co., Regina; Fulda R. T. Co., Ltd., $5,600, 15 years, 5½ per cent., Geo. Moorhouse & Co., Regina; Darwin R. T. Co., Ltd., $700, 7 years, 6½ per cent., May & James, Regina.

Dodge Brothers Earn 85c. on Common in 6 Months

Report of Dodge Brothers, Inc., for six months ended June 30, 1927, shows net income of $5,020,971 after depreciation, interest, federal taxes, etc., equivalent after dividend requirements on the $7 preferred stock, to 85 cents a share earned on 2,435,023 no par shares of Class A and Class B common stocks. This compares with $12,366,726, or $3.88 a share on 2,434,563 shares of combined Class A and Class B stocks outstanding in first half of 1926.

Net income for June quarter this year, was $3,475,623 after above charges, equivalent to 82 cents a share on the common stock, comparing with 1,545,348 or 3 cents a share in preceding quarter.

During the first six months the company sold 107,115 cars and trucks valued at $87,516,173. Included in this total were 29,677 commercial vehicles sold by the Graham Bros. division which produces and sells all trucks, buses and commercial vehicles.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1927	96½	97½
Abitibi P. & P. 6s, 1940	104	103
Algoma Steel 5s, 1962	28	29¼
Alberta Pac. Grain 6s, 1946	97½	98⅝
Bell Telephone 5s, 1955	100¾	101¾
Belgo Can. Paper, 6s, 1943	101	102
Brandram-Henderson 6s, 1936	96½	98
B. C. Pulp & Paper 6s, 1950	85	90
Brompton P. & P. 6s, 1946	98¾	99¾
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	91	94
Calgary Power 5s, 1940	92¼	93½
Canada Biscuit, 6½s, 1946	102½	103¼
Canada Lt. & Pr. 5s, 1949	91	93
Can. Nor. Power, 6s, 1941	100½	101¾
Can. Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98½	99¼
Can. Steamships 6s, 1941	97¼	98
Can. Steel Foundries, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	94	95½
Dominion Iron 5s, 1939	31¼	33¼
Dominion Pr. and Tr. 5s, 1932	96¾	97¾
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price Pr. 6s, 1966	103⅞	104⅝
East Kootenay Pr. 7s, 1942	103	104
Elec. Development 5s, 1933	100	100¾
Famous Players 6½s, 1943	98½	100
Fraser Co. 6s, 1950	97½	98¼
Gatineau Power 5s, 1956	95	96
Gatineau Power, 6s, 1941	99	100
Howard Smith P. & P. 6s, 1941	103½	104¼
International Paper 6s, 1941	97½	98½
King Edward Hotel 7s, 1944	92	95
Lake Superior P. & P. 6s, 1941	105	107
Laurentian Pr. 6s, 1936	102¾	103¾
Laurentide Pr. 5½s, 1946	100½	101½
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	99¼	100
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L., H. & Pr. 5s, 1951	99	100
Mont. Pub. Service 5s, 1942	98¾	99¾
Nor Can. Pr. 6s, 1945	101	102½
Nor. Ont. L. & P. 6s, 1946	101	101⅞
Nor. West Utilities 7s, 1938	98¾	100
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	31	85
Nova Scotia Tram. 5s, 1946	91½	93½
Nova Scotia Tram. 7s, 1952	99	100½
Ont. Pulp & Paper 6s, 1931	108½	110
Ottawa Hull Pr. 6s, 1948	103	104½
Ottawa L. H. & Pr. 6s, 1953	103¼	104½
Ottawa Mont. Pr. 6½s, 1949	102	103
Ottawa Trac. 5½s, 1955	101	101½
Ottawa River Pr. 6½s, 1953	101½	102½
Port Alfred P. & P. 6½s, 1943	100¼	101½
Price Bros. 6s, 1943	102¾	103¾
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramway 5s, 1935	95	96
Sao Paulo Tram. 5s, 1929	97½	98½
St. Lawrence Paper, 6s, 1946	96½	97¾
St. Maurice Pr. 6½s, 1953	107	108
St. Maurice Valley 6s, 1945	98¾	100
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	98¼	99
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103½	105

Carling Plant Running Ahead of Schedule

Production at the London plant of Carling Brewery Co., has been substantially increased during the past month, demand having necessitated the bringing into operation of an additional two bottling machines, making a battery of four now working overtime in order to handle the output. Moreover, in one shift last week, a new record for Ontario, and possibly Canada, was set up in the size of the brew.

When the common stock was offered to the public early last month, estimated earnings for 1927 were placed at approximately $900,000. If the present rate of progress is maintained, this mark will be far exceeded. As a result of the first month's operations net profits, it is understood, were sufficient to meet dividend requirements for the initial quarter.

A meeting of the board of directors will be called within the next ten days, when the dividend and other matters will be passed on.

Brewers and Distillers Stock Is in Demand

"Canada," of London, discusses Brewers and Distillers of Vancouver. It says: "This is a holding company controlling the British Columbia Breweries and British Columbia Distillery Company. Signs are now evident that steps are being taken to secure a wider market for the shares of the holding company. According to published information, the issued capital is approximately $5,000,000 in $5 shares. There is also an issue of bonds, but it is stated that these are now being redeemed. Apparently the company has assets aggregating about $6,640,000, of which $4,865,000 represents capital assets, good will, trade marks, and licences being valued at $2,857,000. We understand that the profits of the controlled companies for the past year amounted to about $690,000. The holding company paid an initial dividend in December last at the rate of 2½ per cent., and it is understood that another distribution is to be made at a similar rate.

"The buying of the shares, which is said to emanate from well-informed quarters, is based on future prospects, it being estimated that the company should be able in time to pay substantially higher dividends than the moderate rate distributed for the past year. Without fuller details, we agree with the financial editor of a contemporary that it is impossible to say what justification there is for these optimistic expectations, but in view of the steady appreciation in the market value of the shares, which have been quietly rising week by week until they are now at about 26s., it may be assumed that steps will be taken to make this information available to prospective purchasers so that they may judge for themselves as to the merits and prospects of the undertaking."

Alberta's contribution from the Fort McMurray district to the salt produced in Canada in 1926 amounted to 2,037 tons.

This Week's Bond Sales

Lethbridge School District

Canadian Bank of Commerce was awarded the issue of $40,000 Lethbridge School District 5½ per cent., 30-instalment bonds.

Nelson Debentures

Nelson has sold two debenture issues, $70,000 for paving and $30,000 for water renewal, to the Royal Financial Corporation at 98.75. This is the highest price paid for a Nelson issue since the war, except the recent $15,000 hospital issue, which was disposed of to a private purchaser at par.

North Vancouver Bonds

Following is the list of bids received by the District of North Vancouver for an issue of $86,810, 5 per cent., 20-year local improvement bonds:

Gillespie, Hart & Todd	$98.57
Read Bros. & Co.	98.47
Canadian Bank of Commerce	98.25
Canadian Financiers Trust Company	97.298
Waghorn, Gwynn & Co.	97.264

Charlottetown Issue

R. A. Daly Company was awarded an issue of $60,000 City of Charlottetown, P.E.I., 5 per cent. 20-year debentures, at 100.79. The bids were:

R. A. Daly & Company	100.79
Caandian Bank of Commerce	100.66
Eastern Securities Co.	100.57
Johnston & Ward	100.52
Royal Securities Corp.	100.516
The Bank of Nova Scotia	100.514
A. E. Ames & Company	100.42
J. M. Robinson & Sons	100.51
Mead & Company	100.19
Dyment, Anderson & Company	99.76
Wood, Gundy & Company	99.75
Royal Bank of Canada	99.375
Dominion Securities Corp.	99.25

Sell More Debentures of Anglo-Canadian Pulp

The British Foreign and Colonial Corporation have placed privately on the British market £1,200,000 of six-and-a-half per cent. 30-year guaranteed mortgage debentures of the Anglo-Canadian Pulp and Paper Mills. This company, which was formed in November, 1924, owns extensive timber limits in Quebec, and is constructing a paper mill at Quebec city, which will have an annual capacity of about 130,000 tons and is expected to be in production by the middle of 1928. The debentures represent the balance of a total authorized issue of £3,000,000. £1,800,000 of which was issued publicly in July, 1926, at 99. These debentures are now quoted at 107, which includes the July coupon, worth £2 11s. 3d. gross. The debentures sold the other day were placed at 103 per cent. The debentures are guaranteed unconditionally by the Daily Mirror Newspapers, Limited, and the Sunday Pictorial Newspapers, Limited.

T. A. RUSSELL IS HEAD OF NEW GROUP RULING SAWYER-MASSEY CO.

(Continued from page 1)

preferred stock issue and because dividends were in arrears for twelve years or more, the common shareholders had no right to expect any consideration in the distribution of shares in the new company. There is some talk of the old company continuing as a holding company, probable profits from the 16,500 shares in the new company being applicable then to arrears of dividends on the preferred and ultimately to possible dividends on the common.

The board of directors of the new company include some of the most able men in Canada. Mr. Russell, the president, is head of the Russell Motor Car Co., the Canada Cycle & Motor Co., and Willys-Overland of Canada, and a director of the Canadian Bank of Commerce. H. H. Champ is vice-president of Steel Company of Canada, and besides being considered one of the ablest industrialists in Canada is keenly interested in his home city of Hamilton and its industries, of which Sawyer-Massey Co. has been an important one for generations. Chester J. Harris is a member of the family which has been identified with the Massey-Harris Co. G. R. Cottrelle is with the Canadian Bank of Commerce in a capacity to watch and help industries. R. H. Mulch has had a great deal of practical experience in the manufacture of motor vehicles. He is at present head of the Ontario Tractor Co., which is affiliated with the Holt Tractor interests in the United States. J. F. Lash is of the legal firm of Blake, Lash, Anglin & Cassels, which has much to do with corporate matters.

Credits Curtailed

The old company's financial difficulties were due to the fact that no effort was made to adapt the business to wartime conditions and because, following the war, credit conditions in the Northwest and in the company's other markets were far from good. There were adjustments in the tariff, also, which resulted in the extensions of credit which ultimately compelled the company to show considerable losses.

When the company began to curtail somewhat its credit facilities the business, while somewhat smaller in volume, was a much more healthful one. The company at the time it was taken over by the new interests, had a working capital deficiency. But bank loans were fairly well secured by accounts payable and the property. The fifteen-year bond issue became a non-existent factor in April with the payment of the principal and interest in full. The sinking-fund requirements had been most rigidly adhered to throughout the term of the issue.

Railway Earnings

Wk. end. July 7	1927	1926	Change
C. P. R.	$3,464,000	$3,642,000	—$178,000
C. N. R.	4,812,964	5,226,002	— 413,038

BOND MOVEMENTS OF THE WEEK

Week Ending July 12

Bonds	Int. Rate	Due	Yield	Range High	1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos G. mtge.	6	1956	6.62	83¾	81¼	94⅛	88	92⅜	91⅜	92	..
Cedar Rapids	5	1953	5.01	101½	98⅛	101	99	..	100¼	99¾	..
Montreal Trams.	5	1941	5.14	98½	93	99⅞	98⅛	98¾	98¼	98⅜	98¼
Do., "A"	5	1955	5.27	95	92½	96¾	94¼	95¾	95⅜	96	95
Ogilvie "C"	6	1932	5.15	105½	103¼	104	104	...	103¾	104	..
Quebec Rly.	5	1939	5.00	100	91⅛	100	96	..	97⅝	100	99
Wayagamack	6	1951	6.08	100⅝	90	100	97	..	98½	99	98¼
War Loan	5	1931	4.65	100.40	100.35	101.85	100.75	101.30	101.00	101.00	.....
Do.	5	1937	4.56	104.95	102.75	103.75	102.95	103.85	103.55	103.75	103.55
Victory Loan	5½	1927	4.90	102.50	100.15	101.00	99.85	100.40	100.20	100.20	100.00
Do.	5½	1933	4.68	106.35	103.20	105.20	103.90	104.70	104.45	104.50	104.25
Do.	5½	1934	4.96	104.40	102.65	104.10	103.00	103.30	103.00	103.20	103.00
Do.	5½	1937	4.56	103.90	106.70	108.20	106.90	107.80	107.50	107.95	107.60
Do., Renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	100.25	100.05	100.10	99.90
Do., Renewal	5*	1932	4.97	103.90	102.00	103.55	101.85	102.55	102.10	102.35	101.85
Do., Refund.	5	1928	4.85	101.35	99.00	101.45	99.75	100.25	100.00	100.15	99.85
Do., Refund	4½	1940	4.52	96.95	95.60	100.05	96.60	99.00	98.00	98.75	98.55
Do., Refund.	5	1943	4.72	102.80	101.10	103.90	102.30	103.50	103.10	103.25	102.95
Do., Refund.	4½	1944	4.60	97.15	95.70	100.10	98.05	99.00	98.00	98.55	....
Do., Refund.	4½	1946	4.63	99.60	95.65	100.25	96.70	99.00	98.00	98.25	....

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Mount Joli, Que.	July	Credit Municipal	5%	20-ser.	$16,000	99.47	5.06
Chicoutimi	July	Bray, Caron & Dube	5%	30-ser.	45,000	98.90	5.10
Charlottetown	July	R. A. Daly & Co.	5%	1947	60,000	100.79	...
Lethbridge School	July	Bank of Commerce	5½%	30-yr.	40,000	....	...
Montmagny, Que.	July	Corporation de Prets de Quebec	5%	10-ser.	44,900	99.35	5.12
Nelson, B.C.	July	Royal Financial Corp.	...	....	100,000	98.75	...
Dist. of North Vancouver	July	Gillespie, Hart & Todd	5%	20-yr.	86,810	98.57	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Anglo-Can. Pulp & Paper Mills (Guar. Debs.)	July	British, Foreign & Colonial Corp.	6½%	30-yr.	£1,200,000	103	...
Cooper School Bldg.		Privately	6%	15-yr.	......	....	...
Stock Issues—							
Zimmerknit	July	R. A. Daly & Co., and Denman & Co.	7%	Pref. (With bonus of ½ share of no par common)	$600,000	100	7%
Asphalto Concrete Corp.	July	Equitable Securities Corp.	7%	Pref. (With bonus of one-fifth shares of common)	$400,000	100	7%
Holsum Packing Co.	July	Brown Bros. & Allan	...	Pref. (With bonus of 1 share common)	$20,000	10	...
Cooper School Bldg.	July	Privately	6½%	Pref.	500 shs.	100	...
Montreal Island Power	July	Nesbitt, Thomson & Co.	6%	Pref.	$1,000,000	98	6.12

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Canadian National Railway
4½% Bonds - 1957
Price: 98.50 and interest to yield 4.60%
Bell Telephone Co. of Canada
5% Bonds - 1957
Price: 102.50 and interest to yield 4.85%
United Securities, Limited
5½% Bonds - 1952
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Fourth Article in Series on the Finances of Our National Railways.

Thornton's Line is World's Largest Railway System

By RIELLE THOMSON.

The people of Canada acquired what is now known as the Canadian National Railways because any other solution of the railway problem was considered impossible. The financial position of the National system in some of its aspects has been used as an argument against the state ownership of railways, and in other aspects, as an argument to the contrary. But probably the unbiased reader will agree that the present financial position of the road is not in any sense due to the fact that the C.N.R. is government-owned.

In any consideration of the railroad it should be remembered at the outset that the present financial position of the C.N.R. is traceable, and directly traceable to previous maladministration and to unsound policies. The present inability of the C. N. R. system to earn its interest charges outright could be said by those in favor of state ownership to be a monument to nothing but the acquisitiveness and the ridiculous optimism of the original owners of the Grand Trunk Pacific, The Canadian Northern and the Grand Trunk and to over-construction at the behest of politicians.

Was a Development Road

In reality it can be said that the C.N.R. is a development railway and was built solely for that purpose. It was built to open up the country in advance of its settlement and its problems to-day are precisely those which confronted every other railway which was constructed in advance of traffic.

By acquiring these roads the Dominion acquired the largest single railway system in the world, comprising 22,688 miles of steam railways, 183 miles of electric railways and 102,000 miles of wires under the control of the Canadian National Railway through its ownership of the Canadian National Telegraph Company. In addition, operated under the same management, but presenting its own individual operating figures to the Government separately, there is a fleet of 46 vessels known as the Canadian Government Merchant Marine and also a fleet of steamers operating on the Pacific Coast between Seattle, Vancouver, Victoria and Prince Rupert. Distributed along the company's system is its chain of hotels, and in addition the C. N. R. carries on other subsidiary activities, such as its summer camps, both in the East and in the West.

The Predecessor Railways

The history of the predecessor roads from an historical viewpoint has some interest. The Canadian National is the successor of the first railroad in Canada; it was known as the Champlain and St. Lawrence Railroad and obtained a charter in 1832 to operate the 16 miles between La Prairie on the St. Lawrence River to St. Johns on the Richelieu. The road was built to facilitate traffic between Montreal and New York by lessening the ardors of the sixteen mile portage.

This road was completed in July, 1836, and its rails were of wood with iron surfacing. Horses were the first motive power, but later a locomotive was purchased which went along at the record speed of 20 miles an hour. No doubt at that time the good burghers of Montreal raised their hands in horror to heaven at the commencement of this "age of speed."

In 1847 a line was built from Montreal to Lachine and that same year witnessed the commencement of the first unit of the Grand Trunk. Other railroad projects also sprang up like mushrooms.

Montreal-Toronto Line

In 1856 Montreal was linked with Toronto and the line was then extended westward to Sarnia; at the same time a line was extended eastward from Montreal to Riviere du Loup. In 1860, the Grand Trunk had 872 miles of lines out of a total of 1,880 miles in all Canada.

The year 1858 witnessed the construction of a line in the Maritimes. By 1876 the Dominion Government had fulfilled its pledge to the Maritimes and had joined Riviere du Loup with Truro, N. S., with the Intercolonial Railway.

From then up to 1898 the Grand Trunk Railway had been covering Ontario with a net-work of roads. It had extended its main line to Chicago and in 1882 had absorbed the Great Western Railway. Shortly after this, the Grand Trunk management, seeing the expansion and prosperity on the prairies, entered into negotiations with the Federal Government to construct further railways in the west. Thus in 1903 the Grand Trunk Pacific and the National Transcontinental had their inception, with the private road undertaking to construct the western sections and the Government undertaking to construct the lines from Winnipeg direct to Quebec and thence to Moncton.

Canadian Northern Starts

While all this was taking place, the Canadian Northern first came into existence in the west with a line running out of Winnipeg. It then constructed a line between Winnipeg and Port Arthur, the head of navigation. In 1901 the Canadian Northern had 971 miles under its control, all located in western Canada.

Then came the war and the financial difficulties of the Canadian Northern and the Grand Trunk Pacific. The Grand Trunk Pacific had declined to acquire the National Transcontinental according to its contract as the latter had cost so much more than the estimates. The result was that in 1915 the Government owned and operated the National Transcontinental as well as the Intercolonial. The financial difficulties of the other railroads forced the Government to acquire them in 1917.

The final amalgamation of all the five railway properties was not completed until October, 1922, when the operation of the roads were united and coordinated under one board of management. The appointment of Sir Henry W. Thornton as president and chairman of the new board of directors completed the amalgamation.

Has Been Much Criticized

Following Thornton's appointment as president and chairman, he was subjected to much criticism. He is a human being and no doubt some of this criticism was warranted, although now, it seems to be dying a natural death and the people of Canada as a whole seem well satisfied with the chief executive of the Canadian National Railway.

All admit that Sir Henry Thornton is an outstanding personality. He is first and foremost one of the best publicity men in the Dominion — an attribute which has proved no mean factor in working out many of the difficulties of the consolidation and in building up public goodwill. The fact that Thornton is a leader is borne out by the most casual conversation with any of the employees of the road from section hand to vice-president. One and all, are great boosters for their president. The building up of an esprit de corps within the organization is directly traceable to the work of the president.

Is a Real Railroader

The choice of Thornton as head of the greatest railway in the world seems to have been a happy one, for underlying all his other characteristics, he is undoubtedly a real railroader.

Thornton started his railroad work as a draftsman with the Pennsylvania road after graduating from Pennsylvania University in 1894. He steadily worked up until he was appointed division superintendent and in 1911 was made general superintendent of the Long Island Railroad, which had been acquired by the Pennsylvania. He was also associated with the opening of the great Pennsylvania Terminal in New York and the organization of the train services on the Long Island railroad.

In 1914 the management of the Great Eastern Railroad of England was searching for someone to place the English line on a sound foundation. The chairman of the English board cast his eyes across the ocean and found Henry Worth Thornton and chose him for the task.

Then came the war. Shortly after its commencement Thornton was made general manager of the executive committee, which, under the direction of the British Government, controlled and operated all the British railways.

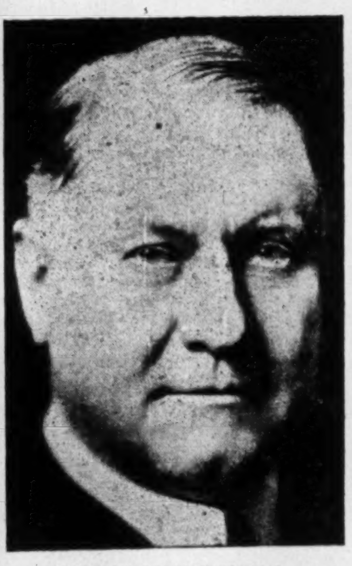
Some War Activities

In 1916 Thornton became deputy director of Inland Water Transport with the rank of colonel in the Royal Engineers. This department was in charge of all the inland navigation, not only in France but also in Egypt and Mesopotamia. A year later he was sent to Paris as assistant director general of movements of the railways, and in that capacity represented directly the Army Council in all negotiations relating to transportation with the French, Italian and U. S. governments. In the same year he was made deputy director general with the rank of Brigadier. In 1918 he was appointed inspector general of transportation with the rank of Major-General. In this capacity he had complete charge of all the transportation on the continent.

Work After the War

At the conclusion of the war Thornton was made a Knight Commander of the Order of the British Empire. A year later he was asked by the British Government to serve on the commission to investigate the operations and financial conditions of the Metropolitan Water Board, which at that time controlled the water supply of London. Twice also he served as a member of the National Wage Board in arbitrations between the great English railroads and their employees.

This then is a brief story of Thornton's career up to the time of his appointment as president of the Canadian National. It can be seen that first and foremost he is a railroader. Perhaps this explains in part some of his great popularity with the personnel of the C. N. R.



SIR HENRY THORNTON,

Whose work in making the Canadian National Railway system out of five bankrupt lines is discussed in this article.

Industrial Activity on the Coast

The twin cities of Victoria and Vancouver continue to rise in the industrial scale; the two latest moves being the awarding to the Vulcan Iron Works of Vancouver of the contract to erect ten tanks of 200,000 gallon aggregate capacity at Ogden Point Terminals for the storage of fish oil, and the creating by the Dominion Bridge Co. of a large fabricating plant in Vancouver.

B.C. PULP EXPANDS

MONTREAL.—The B.C. Pulp and Paper Company's plant at Woodfibre, Howe Sound, B.C., has increased its production by 15 tons per day. The company is making a similar increase in its output at its Port Alice mill. The gross output of the plants now amounts to more than 200 tons daily, and the company is giving employment to about 900 men.

Book Reviews

The Kicking Horse Trail

In "The Kicking Horse Trail," the National Parks Branch has published another excellent little brochure, which will be of inestimable value to the tourist or traveller planning on visiting the Canadian Rockies. The booklet contains forty-eight pages and gives a running description of the scenic highway from Lake Louise, Alberta, to Golden, British Columbia, a distance of about one hundred and eighty miles. The narrative is well illustrated throughout with appropriate pictures, and the last few pages of the booklet are given over to a description of the road and details regarding motorist accommodation en route.

The cover is up to the usual high standard of the Parks Branch. publications and the description of the Trail, written by M. B. Williams, is both interesting and informative. Copies of this booklet may be had on application to the Canadian National Parks Branch of the Department of the Interior, at Ottawa.

BROMPTON'S SALES UP

MONTREAL.—The volume of sales of the Brompton Pulp and Paper Company during the first half of the year has been satisfactory, and it is understood that the earnings of the company are somewhat better than during the corresponding period of a year ago.

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These papers are authoritative. They have earned and enjoy the confidence of their readers. Advertisements that appear in their pages, therefore, are assured in advance of favorable attention. Ask your advertising agency for rates or write direct to the individual paper for further information.
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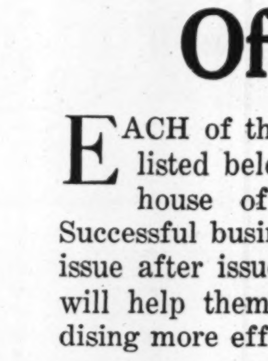

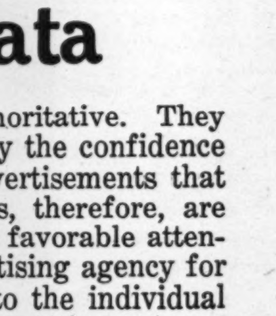

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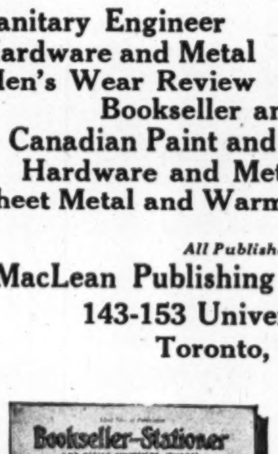

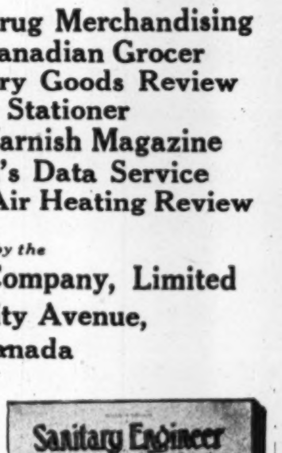

Men's Wear Review

GOOD PROGRESS BY CANADIAN AVIATION RECORDED IN 1926

Spectacular is Lacking, But Excellent Work is Accomplished

From Our Own Correspondent.

OTTAWA.—While the spectacular achievements of United States' airmen are holding the attention of the public, Canada continues quietly to record progress in the development of aviation. In the face of transatlantic flights applauded throughout the world, accomplishments at home are lost sight of, and little notice, therefore, is taken of the very creditable record of Canadian flying contained in the report on civil aviation for 1926 issued by the Department of National Defence. It has been claimed by those who profess to know that Canada is doing far more than the United States in the practical employment of aviation. The official report makes no such comparison, but it shows that useful flying in this country is making steady advances.

During 1926 the number of flights made in commercial flying and provincial operations, apart altogether from the work of the Royal Canadian Air Force was 3,171, an increase of 50 per cent over the previous year, while the number of hours flown was 5,860, an advance of 43 per cent. The number of passengers carried was 6,436 as against 4,897 in 1925. The number of passenger miles flown was 631,715 compared with 446,648 the previous year while freight traffic increased from 592,220 to 724,721 pounds. The flying authorities interpret these advances as indicating the development of confidence on the part of the public in the practicability and safety of flying. In the matter of safety, there would seem to be some ground for the claim of aviators that flying is a secure means of travel in view of the record of Canada in the last two years. In 1925 there wasn't a single fatal accident, while in 1926 only two persons were killed by accidents, one a pilot and the other a passenger.

Conserve Natural Resources

Postponing the establishment of regular air transportation routes until such time as public demand should warrant them, those engaged in the promotion of aviation in Canada have been devoting it mainly to work in connection with the conservation and development of the natural resources in the remoter parts of the country. Now, the use of aviation in forest conservation, survey and reconnaissance, and in transportation in the hinterlands, is well established. Since 1920. 125,000 square miles of forest land have been mapped by the aerial method and 165,000,000 acres of forest in Ontario, Manitoba and Alberta are now under fire protection by air. Last year 70,000 square miles were photographed and aerial photography is regarded as essential in mapping.

Commercial aviation in Canada is much more extensive than is generally realized. Fourteen firms are engaged in it. It is claimed that last year Canada had the only self-sustaining air transport routes in the British Empire, those from Haileybury to Rouyn and from Sioux Lookout to Red Lake.

May Enter Transnort Business

The aviation authorities of Canada regard 1926 as marking the close of a distinct phase of flying in the Dominion and feel that the forest, survey and mining services may now be left to grow naturally. They evidently anticipate entering upon the larger field of the regular transportation business such as is in operation in other countries. "There is no reason," says the report, "to suppose that in the air Canada will lag behind other nations and that the establishment of through routes of travel and communication by air will not follow." The recent reorganization of the air branch of his department by Hon. A. L. Ralston, Minister of National Defence, may be taken as presaging bigger things in Canadian flying.

An illustration of the usefulness of aviation to Canada is given in the departure of the expedition that is to gather information on ice conditions in Hudson's Strait. This expedition, consisting of six modern flying machines, is to spend eighteen months on the strait, operating from three bases, and its observations will determine the possibilities of the Hudson's Bay route between the Northwest and Europe.

New York Bankers Inspect Can. Terminal Warehouse

A party of about twenty partners and salesmen of the New York investment banking house of J. A. Ritchie and Co., visited Toronto the other day on a tour of inspection of the warehouse of Canadian Rail and Harbor Terminals. This firm sold some of the securities of the warehouse and, in association with other American houses, have just completed the financing of three large terminal warehouse and, in association with other one holding company, all of which are linked for reasons of service with the Canadian enterprise.

At a luncheon following the visit of inspection Frank Kennedy, newly appointed president of the Canadian Rail and Harbor Terminals and F. R. Crump, assistant general manager, gave details of the progress of the enterprise, stating that occupancy was 24 per cent. ahead of schedule.

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Business in Newfoundland

General Situation Fair; Key Industries Reviving

A Quarterly Feature of The Financial Post.

ST. JOHN'S, Newfoundland.—Reports of business conditions in Newfoundland during the past quarter have been somewhat confusing and though trading in St. John's is far from satisfactory, advices from outlying sections are more encouraging. As regards the capital city, existing conditions are not entirely due to unprofitable operations from last year's fisheries. On account of excessive taxation, the cost of production in this country is too high and as there does not appear to be any prospect of much better prices in the foreign market this year, it would seem that a reduction in taxation is about the only way of correcting the present situation. Merchants are not stocking up with goods, principally because of the outlook and then some are not in a position to supply as extensively as formerly, on account of losses made in recent years.

Fishing Industries Better

While the above applies more particularly to St. John's, it cannot be said to apply to other districts. In the outlying sections, activity and prosperity depend almost wholly upon fishery returns. Although the catch last winter was disappointing, results this spring have been better. The spring trip to the Grand Banks is expected to produce 24,000 quintals, as against 19,000 for the same trip last year. Revenue from this trip is expected to be about $5 a quintal. On the West coast, the halibut catch was successful this spring, being valued at roughly $100,000. Nine steamers engaged in the seal fishery, the catch amounting to 180,459, valued at $297,422, as compared with 211,531, worth $395,510 last year. The smaller catch was attributable to the unfavorable weather.

Foreign markets, of course, play an important part in the prosperity of the fishing settlements and the immediate outlook is not at all unfavorable. The Oporto market has been fairly good to date. There is little trading in other European markets, however, but they are expected to be in good shape by the time new fish arrive. Prices on the Brazilian market have been steady. Recent shipments have been of pure quality and heavy reclamations have resulted. The Jamaica market is quite strong.

Mineral Situation Encouraging

The mineral situation is very encouraging. The iron ore mines at Bell Island are working to capacity, and expectations are that activity will continue to the end of the current year. Average number of men employed during May was 1,505, to whom salaries and wages totaling $95,982 were paid. This compares with 1,294 men and wages of $86,990 in the same month a year ago. Germany continues to be the largest buyer.

No new developments have cropped up in connection with the exploitation of the Buchan Mine by the A.N.D. Co. and the American Smelting and Refining Co. Application is now before the House of Assembly for some concessions which, if granted, will ensure immediate work for a number of men.

The pulp and paper industry, which was in a flourishing state last year, has received a temporary setback on account of negotiations in force for the sale of the Newfoundland Power and Paper plant. This company was originally financed with English capital, aided by the British and Newfoundland governments. It is now proposed to sell the Corner Brook plant, together with the Gander Bay timber property owned by the Reids. The International Paper Co., and other interests have been dickering for the purchase. The Company's affairs are apparently in a bad way but it is expected that some suitable arrangements will be made to carry on operations. The Corner Brook plant is now operating at about 75 per cent. of capacity.

Letters to the Editor

BRITISH CAPITAL

Editor, The Financial Post.

I have read with interest the article in to-day's issue under the heading, "Canadian Field Again Interests British Capital."

I think that Canadian financiers will be well advised to leave the London market alone so far as new capital issues are concerned, until such time as that centre acquires a more reasonable idea as to the price of their services in placing Canadian capital issues.

I have reason to believe (through my correspondents on the other side) that the large investors such as insurance corporations and investment trust companies, are slowly but surely inclining to follow the example of less exalted forms of business, and by cutting out unnecessary middlemen are able to satisfy their investment requirements with a saving, which owing to the large amounts dealt with makes an appreciable difference in their interest returns.

So far as investment trust corporations are concerned I am afraid that despite the series of well informed articles on the subject recently published by you, that many even amongst those whose business it is to advise regarding investments, have still rather crude ideas regarding trust companies. Investment trust corporations were in their genesis, but a group of large investors who realized the value of co-operation in the investment of their funds, and it is that class who are to-day the principal holders of the various trust companies shares, which by their price are beyond the reach of the average investor, and indeed are not popular with him.

The investing policy of these Corporations is of course based on geographical distribution of investments and spreading of risks in different spheres of activity, exactly the antithesis of some organizations which have recently been put before the public under the misnomer of investment trust corporations.

There is to-day, however, a large class of investors in Britain, people with from $500 to $5,000, who are looking for just such investments as are available here through bond and investment houses, but those investors through lack of knowledge of what is really offering here and the means of dealing in the investments, are of necessity (and unwilling) forced to place their money at very low interest. This class I have reason to know is not reached by any existing organization dealing with Canadian investments, and I have not the slightest doubt that an organization for their service initiated and conducted with a due regard to the national peculiarities of its prospective clients would prove profitable alike to its promoters, and its clients.

Until the present generation of workers in Britain which, so to speak, was born on a field of war, and nurtured on the dole, has died out, there is little hope of peace in labor conditions in Great Britain, for the workman is by reason of his experiences physically and psychologically incapable of that output which would render possible payment of the high wages he demands, and the average investor of to-day being quite aware of this will not be tempted into his usual channel of investment in commercial and industrial concerns, with the result that to-day this class has in cumulo more capital awaiting investment than ever before.

JAS. S. FILSHILL.

Toronto, July 9, 1927.

EQUIPMENT BONDS MEET WITH FAVOR

High Degree of Safety Makes for Popularity With Investors

Although equipment bonds were known in this country as early as 1845, it was not until 1873 that American and Canadian railroads first employed this method of purchasing new equipment. From that date to the present day, the record of equipment issues has been particularly enviable. In periods of depression equipment bonds generally have paid their principal and interest promptly.

Railroad equipment securities are issued under two plans. Under the Conditional Sale plan the title to the equipment is in a trustee for the holders of the equipment trust notes, until such a time as the last instalment of principal with its interest is paid, when title passes to the railroad. Under the Philadelphia Plan the railroad rents the equipment from the trustee and agrees to pay, as a condition of the lease, a fixed annual rental sufficient to pay the interest on all the equipment trust certificates and to retire annually or semi-annually a certain proportion of them. When all the equipment trust certificates have been retired the railroad obtains ownership of the equipment.

Railroad equipment bonds are a first lien on a most vital part of all railroad property, rolling stock. The initial payment of 10 to 25 per cent. of the cost of the equipment by the railroad and the serial or instalment reduction of principal, commonly provided for, establish a safe margin that increases from year to year until all bonds have been paid. The railroads must keep the equipment in repair and insure it against loss. The constant demand for railroad equipment assures the bondholders of a ready market for their property in case of default.

The great popularity of these bonds with banks, trust companies and individual investors is reflected in the high prices they command. The small investor, who must look first to the conservation of his principal sum, will find equipment bonds highly desirable safety zones.

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Canada National Fire Shareholders to Meet in Dispute Over Assets

Meeting Called For September 2 — In Meantime Barrage of Literature Passes Back and Forth

Within recent weeks, the shareholders of the Canada National Fire Insurance Company have received a veritable barrage of literature, relating to the special general meeting of the company which has been called for Sept. 2. The "barrage" consists of some 55 pages of printed matter, in the form of statements and legal documents, which purpose to inform the shareholders of the events which have brought about a demand for a thorough investigation of the company's affairs. At present the situation has been temporarily crystallized by the calling of the above-mentioned general meeting of shareholders.

This meeting has been called as the result of a judgment handed down by Chief Justice Mathers, of Manitoba, on May 31 last. The judgment marks the end of the first round in an action which was instituted in the form of a statement of claim, dated April 5, 1927. The plaintiffs who have instituted this action, and who have prepared the statement of claim, are two in number. In the first place there is Louis H. Leavens a merchant who lives at Stonewall, Manitoba, and who is a shareholder in the company. Mr. Leavens, through his lawyers, has evidently prepared the statement of claim, and is suing on behalf of himself and all other shareholders of the company. Then secondly, the name of the Canada National Fire Insurance Co., is also named as plaintiff, along with Mr. Leavens and the other shareholders.

Great West Loan Involved

On the other side of the fence, the statement names the following as defendants: The Great West Permanent Loan Co.; The Imperial Canadian Trust Co.; W. T. Alexander; E. L. Taylor; W. J. Boyd; A. D. Carscallen; F. H. Alexander; S. D. Lazier; A. C. Rutherford; A. N. Daykin and T. S. English. All the abovename gentlemen, with the exception of Messrs. Daykin and English, are directors of all the three companies mentioned in the statement of claim. Messrs. Daykin and English are directors of the "Fire Company" only. The defendant W. T., Alexander, is president and managing director of the "Loan Company"; managing director of the "Fire Company"; and genral manager of the "Trust Company." Similarly, defendant E. L. Taylor, is vice-president of the "Loan Company"; president of the "Fire Company"; and president of the "Trust Company." F. H. Alexander is recorded as secretary of the "Loan Company"; vice-president of the "Fire Company"; and secretary of the "Trust Company." Finally, the defendant, W. J. Boyd is vice-president of the "Trust Company"; and vice-president of the "Fire Company." Furthermore these offices, according to the statement of claim, have been held by these gentlemen during all the happenings set forth in the suit which is being brought against them.

Ask to Delete Name

The statement of claim itself is a document of nearly twenty pages, which is composed of 56 paragraphs and which enumerates no less than 11 distinct claims against the defendants. The claim was issued on April 5, and on April 18, it was followed by a notice of motion on behalf of the "Fire Company." This notice asked that the name of the "Fire Company" be stricken out as a party plaintiff, on the grounds that the name of the company had been used without the authority of the directors. The notice of motion was dismissed by the referee on April 28.

On May 4, the referee's decision was appealed, and the appeal was argued before the Chief Justice of the King's Bench. The Chief Justice gave his decision on May 31, directing that a meeting be called to ascertain the views of the shareholders of the "Fire Company," with regard to retaining the company's name as party plaintiff. On June 1, the judgment of the Chief Justice was appealed further by the defendants, but this was dismissed by the Court of Appeal. Thus the stage is now set for September 2, when the special general meeting of shareholders will be held. The "barrage" of literature which has already been mentioned, has been issued with a view to lining up shareholders' proxies for the special meeting.

Toronto Man in Fight

In addition to this "official" stream of literature, a third party has now apparently entered the field in the person of D. M. Sanson, of Toronto. Mr. Sanson, claims to have no connection directly or indirectly with Mr. Leavens nor any other shareholders of the company, but he invites correspondence from other shareholders, who are interested in protecting their investment in the company. His recommendation is that shareholders should not sign either of the proxy forms provided by the two sides of the suit, but that they should hold themselves at liberty, to appoint an independent nominee or proxy. Mr. Sanson refuses to disclose the nature of his plans, or to state his reasons for advising an independent proxy.

Reply By Directors

In a letter dated June 2, the party plaintiff, L. H. Leavens, states that there has been no attempt as yet to deny the serious charges against the defendants, which are contained in the statement of claim. However, under date of July 2, the president, (E. L. Taylor) and the managing director (W. T. Alexander), have issued a pamphlet, in which they claim to make "complete reply to the various so-called charges in the statement of claim." In order that the claims made by the plaintiffs, and the corresponding replies, may be clearly understood, the more important aspects of the situation may be summarized as follows:

Charge Manipulation of Assets

Plaintiff's Claim—1. That there has been manipulation of the securities of the "Fire Company," and that otherwise the company would still enjoy a prosperous business as of old. This manipulation has taken the form of various illegal transfers of securities, between the "Fire" the "Loan" and the "Trust" companies, for the purpose of concealing the true financial position of each company. The claim lists certain mortgages amounting in all to $229,779, which were transferred from the "Loan Company" to the "Fire Company," at various times, in consideration of the funds of the "Fire Company." These mortgages, according to the claim, were upon property in British Columbia, which was unsaleable and unmarketable, and were transferred because the "Loan Company" needed the money to pay its liabilities and debts and was unable to dispose of the properties elsewhere.

Defandants' Reply—1. Absolute denial of any manipulation of the securities of the "Fire Company" by its directors. Declaration that securities taken over by the "Fire Company," from the "Loan" or the "Trust Company," consisted of a large number of small mortgages on dwelling houses in Winnipeg, Calgary, Edmonton and Vancouver. That the loans granted on such mortgages averaged about 50 per cent. of the value, and that mortgages were carefully inspected by the company's valuator. The purchase price in all is given as $334,959, which is 46.6 per cent of valuation.

Second Mortgage Involved

Defendants' Claim—2. That in the $206,300 which formerly was included in the "Fire Company's" assets as a deposit made with the "Trust Company," disappeared and that a new mortgage for the sum of $212,668 was taken over by the "Trust Company." That the new mortgage was in reality a second mortgage, already encumbered and the actual equity which was left as security for the mortgage, amounted to about $8,500.

Defendant's Claim—2. That in the course of business some $200,000 was deposited with the "Trust Company," and that some time afterwards the directors decided to secure the deposit for the "Fire Company" by depositing additional collateral security. The security so deposited was valued by the company's valuator at $401,275, with an equity in favor of the "Fire Company" amounting to some $214,950. In addition, the "Trust Company" still remains liable to pay the balance should there be any shortage when the properties are sold. The additional security was made to satisfy the superintendent of insurance at Ottawa.

Say Loan Company Insolvent

Plaintiff's Claim—3. That it is and has been well known to the defendants and defendants' directors, that the "Loan Company" was insolvent, and that in order to pay interest on the debenture indebtedness of the "Loan Company" (to preclude a possibility of that company being forced into liquidation) they fraudulently transferred various securities from one company to the other; to the detriment of the "Fire Company." One of the main sources of loss is said to be dealings which centred about the property now known as the Marlborough Hotel property. The statement of claim set out in detail the particulars of this transaction as far as ascertainable.

Defendants' Reply—3. That the statements of the earning power of the "Trust Company" is quite incorrect. That no such fraudulent transfer of securities has ever taken place. That in any transfers of mortgages or securities, full value has been given, and that no attempt has ever been made to conceal the true state of affairs. The defendants then proceed to give at some length, their statements of the exact facts regarding the loan on the Marlborough Hotel.

Charge Loan to Wife

Plaintiff's Claim, 4.—That the "Fire Company" as a shareholder in the "Loan Company" suffered to some extent in the loss of $50,000, which accrued to the "Loan Company" through the loaning by the "Fire Company" to Edith M. Alexander, wife of W. T. Alexander, the sum of $25,000 on the security of a certain mortgage. The mortgage was later taken over by the "Loan Company." According to the statement of claim, the property upon which the mortgage was taken, was never saleable, and has at no time had a greater value for loan purposes, than $5,000.

Defendants' Reply, 4.—That the loan was a proper one when made, but that on the objections of the superintendent of insurance, the loan, (which had at that time the security of a property worth about $50,000 behind it), was acquired by the loan company in the regular way.

Refer to "Illegal Loans"

Plaintiff's Claim, 5.—That certain of the defendants in the section have illegally loaned to themselves from the funds of the loan company, certain sums of money amounting as of Dec. 31, 1923, to $425,784.

Defendants' Reply, 5. — Several of these so-called illegal loans are explained or denied in a submitted statement, and the others are said to represent stock in the "Fire Company" and "Trust Company," owned by the "Loan Company," but which was registered in the name of the various directors.

Payment to Mr. Alexander

Plaintiff's Claim, 6.—That in 1923, W. T. Alexander was indebted to the "Loan Company," by way of an overdraft amounting to $20,500 or thereabouts. That this overdraft was discharged by the payment from the funds of the "Fire Company" of two grants of $10,500 each, in favor of W. T. Alexander and F. H. Alexander, respectively. That these cheques were deposited to the account of W. T. Alexander with the "Loan Company," and that one of them was returned "N.S.F." with the result that without further consideration, a mortgage for over $20,000 was transferred from the "Fire Company's" account to the "Loan Company," thereby creating a deposit account for the "Fire Company" with the "Loan Company."

Defendants' Reply, 6.—That the payment of 20,500 to the Alexanders,was made by the board of the "Fire Company" in consideration of the fact that these two men were instrumental in selling the shares of and organizing the "Fire Company." Also that this remuneration was only about one-fifth of what they would have received if they had collected the commission usually paid for that work.

Purchased Interest in Building

Plaintiff's Claim, 7.—That the Dominion Insurance Act prohibits insurance companies from buying real estate, except for office purposes. That in 1924, the "Fire Company" had a one-quarter interest in the Great West Permanent Building in Winnipeg; the "Trust Company" a one-quarter interest, and the "Loan Company" a one-half interest. That in that year (1924) the one-quarter interest held by the "Trust Company" was transferred to the "Fire Company" for a purchase price amounting to $164,759. That the payment was made by the "Fire Company" transferring $133,332 to the "Loan Company" in payment of a like sum which was owed by the "Trust Company" to the "Loan Company." That the balance was paid to the "Trust Company" in interest-bearing mortgages, which were thus forfeited for non-revenue bearing real estate, which the "Fire Company" did not require.

Defendants' Reply, 7.—That the purchase by the "Fire Company," was of an undivided quarter interest in the Great West Permanent Building. The other half belonging to the "Loan Company." It was thought that in view of the size of the company and its future possibilities that the "Fire Company" should have a half rather than a quarter interest in the building.

Christie, Brown & Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the issued Preference Shares in the Capital Stock of this Company for the period from the first day of May to the thirty-first day of July, 1927, has been declared payable to shareholders of record at the close of business on the twentieth day of July, 1927, and that such dividend be payable on the first day of August, 1927.

By Order of the Board.

J. C. MILLAR,
Secretary.

Christie, Brown & Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of thirty cents (30c) per share on the issued Common Shares in the Capital Stock of this Company for the period from the first day of May to the thirty-first day of July, 1927, has been declared payable to the shareholders of record at the close of business on the fifteenth day of July, 1927, and that such dividend be payable on the first day of August, 1927.

By Order of the Board.

J. C. MILLAR,
Secretary.

INTERNATIONAL PAPER COMPANY

The Board of Directors have declared a quarterly dividend of Sixty Cents (60c.) a share on the Common Stock of this Company, payable August 15, 1927, to Common Stockholders of record at the close of business August 1st, 1927.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.
New York, June 29, 1927.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the period ending June 30th, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 7th day of July, 1927, at 4 o'clock p.m., and payable on the 15th day of July, 1927.

By Order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.
Tuesday, June 28th, 1927.

Township of King Debentures

For Sale by Tender

Tenders will be received by the undersigned for the sale of $31,000.00 Township of King, 5% Debentures, issued by the Township of King, York County, Ontario, for the building of a Public and Continuation Class School under By-law No. 486.

The Debentures will be dated 1st July, 1927, and bear interest at five per cent. payable annually on the first day of January in each year for thirty years in equal annual instalments of $2,016.59 including interest and principal, payable at Bank of Montreal, King City, Ontario.

Sealed Tenders to be addressed to J. L. Jenkins, Township Clerk, marked **"Debenture Tender"** on or before the 28th day of July, 1927, and will be opened at Nobleton at 3 o'clock P.M., July 30th. Lowest or any tender not necessarily accepted.

This issue will be an obligation of the Township of King. Assessed value $3,875,317.00. Present Debenture debt $104,078.79.

J. L. JENKINS,
Township Clerk,
King City, Ontario.
Dated July 11th, 1927.

The International Nickel Co.

A quarterly dividend of one and one half per cent. on the Preferred stock has been declared this day payable, August 1, 1927, to the Preferred Stockholders of record at the close of business July 21, 1927.

JAMES L. ASHLEY, Sec'y. & Treas.
New York, July 11, 1927.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of July, 1927, to shareholders of record at the close of business the 9th day of July, 1927.

By order of the Board.

W. H. SMITH,
Secretary-Treasurer.

DIVIDEND NOTICE
Imperial Royalties Company

Will pay monthly dividend of 1⅓% to Preferred Shareholders on July 31st. This is Dividend No. 82 and makes a total of 143⅓ per cent. paid to shareholders.

By J. E Horn.

K. H. Kompfe & Co.

Limited.

Toronto and London, Ontario

BELDING CORTICELLI LIMITED

DIVIDEND No. 51

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Dividend of 1¾%, payable on the 15th day of September to Shareholders of record at the close of business the 31st day of August, 1927.

By Order of the Board,

W. P. MacDOUGALL,
Secretary.

DIVIDEND No. 8

The Directors of Belding Corticelli Limited are making a distribution from the earnings of the half year ended May 31st, 1927, of Three per cent. (3%) on the Common Stock of the Company, payable August 1st, 1927, to Shareholders of record July 15th, 1927.

By Order of the Board,

W. P. MacDOUGALL,
Secretary.

"Corporation Securities"

A Guide for Investors

This Booklet should be of assistance to investors in planning a satisfactory distribution of their funds with regard to security and income, as well as for reference purposes.

It contains recent information concerning thirty-seven Canadian Corporation securities, showing the capital structure, assets, earnings, working capital position, etc., of the issuing companies.

A copy will be sent upon request.

Wood, Gundy & Company

Limited

Winnipeg
Hamilton
London, Ont.

36 King Street West
Toronto
Telephone: Elgin 4321

Montreal
New York
London, Eng.

$138,773.33
Town of Kenora, Ontario

DEBENTURES FOR SALE

Sealed Tenders, marked "Tenders for Debentures" will be received at the office of the undersigned up to

NOON, THURSDAY, AUGUST 4th, 1927,

for the purchase of the following Debenture Issues of the Town of Kenora--

Amount	$13,773.33	$125,000.00.
Purpose	Consolidated Debt	Local Improvements, Sewers
Term	26 Yr., Sinking Fund	30 Instalment.
Interest Rate	5%	5%.
Interest Payable	June 30-Dec. 31st	Sept. 1st.
Debentures Dated	July 1st, 1927	Sept. 1st, 1927.
Debentures Due	Dec. 31st, 1953	Sept. 1st, 1928-1957.

WHERE PAYABLE—Debentures and Interest Coupons will be made payable at the Imperial Bank of Canada, Toronto, and Kenora.

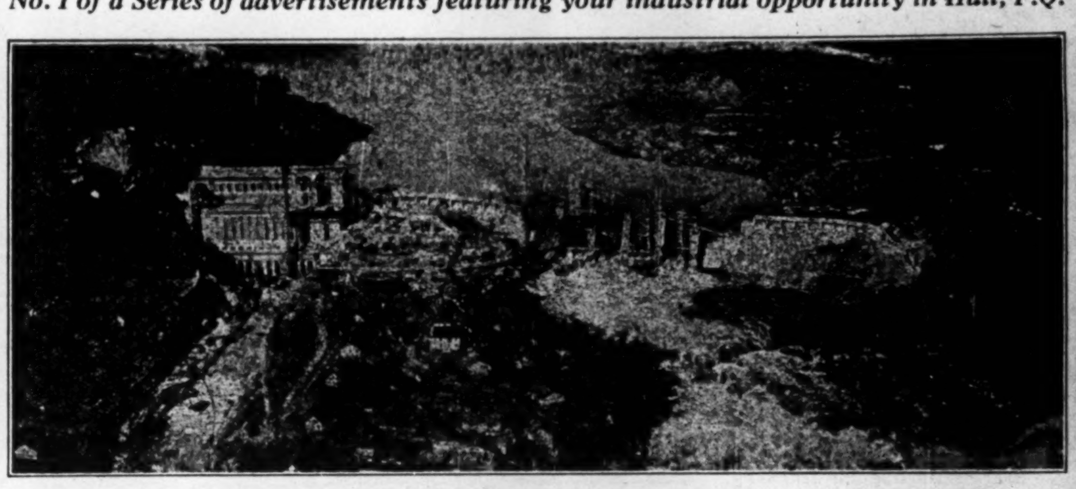
LEGAL OPINION—The Legal opinion of Messrs. Long and Daly of Toronto will be furnished, a certificate of which will be printed on each debenture.

TENDERS—Tenderers will state price, plus accrued Interest, if any, for Kenora Delivery and payment on each issue separately.

The Municipality reserves the right to reject any or all bids.

F. J. HOOPER,
Treasurer.

No. 1 of a Series of advertisements featuring your industrial opportunity in Hull, P.Q.



One of the great power developments serving Hull. Chelsea plant of the Gatineau Power Co.

NOW—more than ever—
a City of Industrial Opportunity

Power Resources of Hull

1,700,000 h.p. is the grand total of available water power in Hull and the vicinity.

Of this, 700,000 h.p. is available at the sites of the Gatineau Power Company and their initial development of 460,000 h.p. is well under way. 150,000 h.p. will be available for commercial purposes in Hull by the end of 1927 and 25,000 h.p. can now be had.

The Ottawa and Hull Power Company have an installed capacity of 40,500 h.p. and the Ottawa River Power Co. controls a 60,000 h.p. plant, of which 25,000 is installed capacity.

The Ottawa Light, Heat and Power Company serves about half the population of Hull with electric lighting and power services. This company develops power and purchases under contract and resources are ample for industry.

THE City of Hull, Quebec, has long enjoyed exceptional industrial advantages — including excellent labour, living and transportation conditions, and a significant location.

But TODAY Hull presents an unparalleled opportunity to new industries because — in addition to the splendid hydro-power service already provided by the Ottawa and Hull Power Company and the Ottawa Light, Heat and Power Company — there is available and developing a great surplus of hydro-power due to the tremendous developments of the Gatineau Power Company in the Hull district.

Hull is the converging point of all this abundant hydro-power. Quantity power and low transmission costs mean cheap power — the rates varying from $18.00 to $28.00 per horse power according to requirements. Industrialists are invited to investigate to be convinced of their opportunity for profitable production through locating in Hull.

For information write H. Boulay, City Clerk, Hull, P.Q.

Bring Your Industry to HULL Que.

Key City of a Great Hydro-Power and Industrial District

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE, TORONTO, JULY 15, 1927 Member of Audit Bureau of Circulations No. 28

Two Crude Oil Producing Wells in Turner Valley; Dalhousie 5 and Spooner 1

Product of Four South Alberta Wells Declared Crude of Highest Rank

WHAT DRILLERS WANT

Home and Devenish Wells Producing—New Pipe Line and Refinery Now Proposed

By **CHAS. A. HAYDEN.**

CALGARY, Alberta.—Crude oil, in quantities yet to be determined, has just been encountered in two wells in the Turner Valley field, Dalhousie No. 5, a subsidiary of the Imperial Oil Limited, and Spooner No. 1, with which are associated the principals in the Vulcan Oil Company. Both strikes are regarded by government engineers as highly significant because the oil is of the quality that has been sought so persistently and because the flow in each well seems to be heavy. The Dalhousie well pumped 400 barrels in 24 hours and is now steadily on the pump. Production cannot be definitely ascertained for a few days but it is estimated that it will be at least 500 barrels a day and it may be considerably more.

Oil Sands Very Deep

Oil was met in Dalhousie No. 5 at a depth of 4,525 feet, with 500 feet of open hole at the bottom. The next step will be the running of casing to the bottom but this is a very delicate task and is being tackled with extreme care.

Spooner No. 1 got its flow at 4,060 feet and recently the Home well, in which General A. D. McRae, and other Vancouver capitalists are interested, got crude oil at 4,560 feet. The home is getting from 75 to 85 barrels a day.

Government experts have analyzed the Dalhousie No. 5 and the Spooner oils and report them to be highly satisfactory. The analyses are as follows:

Dalhousie No. 5

Specific gravity Beaume 44 deg; initial boiling point centigrade, 43; Crude gasoline 34.33 per cent.; crude kerosene 10 per cent.; crude gas oil (fuel oil) 23.66; residue 32. Tests show this crude oil to have a paraffin base, high gravity crude of finest quality.

Spooner No. 1.

Specific gravity Beaume 52.75 degrees initial boiling point centigrade 55 degrees; crude gasoline 53.33 per cent; crude kerosene 16.33 per cent, gas oil (fuel oil) 15; residue 14.33 per cent. Tests show this to have a paraffin base, high gravity crude of finest quality.

Important Discoveries

Oil engineers declare that these oils, along with that from the Home well and that from the Devenish well, near Skiff, not far from Lethbridge, are crudes of the highest rank, approximating the best found on the American Continent. In fact, they are just what the various drillers have been seeking.

In the case of the Dalhousie No. 5, the Spooner No. 1 and the Home, it has been established that their production comes from the same horizon in Turner Valley, a discovery of vital importance in connection with the further development of the field.

Stock Market Quiet

These strikes have generated a livelier interest in the actual development of the Turner Valley field and of the Skiff area, the latter being an altogether new field recently brought into importance by the Devenish well strike. However the stock market has not been affected to any appreciable extent one way or the other. The frenzy of last year exhausted the people of Calgary in respect of unbridled enthusiasm backed by real money. They are now waiting for dividends before getting excited.

New Pipe Line Projected

One result of the strikes is that another pipe line from Turner Valley to Calgary is projected. There are now two mains, one handling the naphtha from the Royalite No. 4 and other producing wells and the other natural gas for the local gas company. Neither can be used for the crude and a heavy flow of the latter will necessitate a third pipe. Meanwhile A. G. Spooner and his associates are building a refinery in Calgary as a rival on a small scale to the Imperial plant here.

"A Perfect Crude"

Discussing the new crude oil well, brought in at Turner Valley by Dalhouse Oil Co. an Imperial Subsidiary, Calgary Albertan says: "Turner Valley has been looking forward to such a well in the past 14 years and at last the dream of the oil enthusiasts seems to have been realized. A 42 gravity crude is what is termed a perfect crude by operators and is of an immense value. The Calgary refinery will be able to make good use of this quality of oil and it will make an ideal mixture for the large volume of naphtha now produced by the several wells in the limestone."

LEADING STOCKS AGAIN TO FRONT

Kirkland Lake Issues Again Move Up Rapidly—Nickel Strong

The mining market has veered back to the leaders and the Kirkland Lake producers, along with Noranda, Hollinger and McIntyre are out in front again. Teck-Hughes, Lake Shore and Wright Hargreaves have had spectacular rises. A higher dividend yield on Teck Hughes and the important high grade developments on Wright Hargreaves, given a week ago by The Financial Post, had their effect on the market towards the end of the week. The public has come to regard the Noranda situation in a different light. Trading in Noranda rights has been quite steady at rising prices.

Tough Oakes and Vipond have provided the weak spots. There are rumors about that Vipond will close. This is not the case. There are a couple of years ore ahead of the mill and new exploration work continues. The fact that no new ore has been found, as was pointed out by The Post weeks ago, is the weakening factor. This could change overnight.

The Tough Oakes situation continues unchanged. There is to be a change in method of operating. The mill is to be reduced in daily tonnage and efforts concentrated on exploring the upper levels. The working force has been materially reduced. These methods are not new. Manager Alan Stuart did identically the same thing when he took hold and put up a real effort to find new ore. That he did not get it, was not for want of trying or intelligent efforts as many engineers, who have visited the property, agree.

International Nickel shares have continued strong all week above 60. There is a feeling that practically all the loose stock around these levels is about cleaned up.

MODERN FACILITIES INVADE WOMAN LAKE

Bread Now 35c a Loaf—Wireless Available to Send Out Messages

The mining crews operating in Woman and Narrow Lakes sections have now a bakery to supply their needs. The modern housewife might not consider this any good fortune when told that the large loaf commands a price of 35 cents. However, there are cut prices as large consumers get three loaves for $1.10. The bakery is located at the Narrow Lake portage and a note out from the camp says that an up-to-date restaurant has been located there.

This is not the only modern blessing that has been visited on the camp. The latest is the establishment of a wireless station at the fire ranger's camp and it is possible to get a message out by wireless to Sioux Lookout and turned over to the C.N. telegraphs at a reasonable rate.

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Diamond drilling is giving important results.
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EAST TAKING BIG INTEREST IN B. C.'S PORTLAND DISTRICT

Premier Merger Talk, Bush Consolidated, Smelters Option and Big Missouri Find Causes Stir

SAMPLE B. C. SILVER

Indications From Coast Are Guggenheims and London Are Together

Eastern Canada is taking quite a shine to Portland Canal area, British Columbia. The financing of Bush Consolidated Mines in the east, the interest in the Premier merger plans and the event of Consolidated Mining and Smelting into the camp, is awakening easterners. As revealed by The Financial Post smelters will spend $250,000 on the George group.

Reports from the west are to the effect that Premier has 20 men busy now sampling B.C. silver and will then sample National Silver, a proceeding Guggenheim's deem necessary before final merger negotiations are entered into. "You are going to see some tremendously large operations in British Columbia, said a B.C. engineer who is in the east. He indicated that he would not be surprised if Premier, B.C., Silver, National Silver and the Extensive Bush Consolidated holdings ultimately come under one operation. "You know," he said, "practically all these properties were originally O. B. Bush's holdings and I would not be surprised to see them all joined together. It would make a tremendous large profitable enterprise."

One of the richest discoveries ever reported in Portland Canal comes from Big Missouri Mine. It is said that one running seventy ounces of gold and seven hundred and sixty-one ounces of silver per ton has been disclosed on a new surface cut on the Big Missouri. This property is located five-eighths of a mile North of the Bush Consolidated and Premier holdings.

The sample was taken by James L. Freeburn, former manager of the famous Chicago Mine in Alaska, in the course of an examination of the Big Missouri property for the Tacoma interests which control it.

It is also reported that easterners are seeking control of the famous old Mackenzie and Mann property, Bear River Mining Co., which adjoins George Copper on two sides. A new Dominion Co. is talked of.

VANCOUVER.—With a crew of 20 men from the Premier under direction of Bert Smith, assistant manager, and Hector MacDonald, superintendent, sampling the B. C. Silver thoroughly and with representatives of the Selukwe Corporation of London said to be in New York to negotiate a deal through the American Smelting & Refining Company, British Columbia is daily expecting a story to "break," signalizing a union of the two great properties, Premier and B. C. Silver.

That the two eventually will come together is not doubted. Premier officials, it is realized, have had reason to know that B.C. Silver claims contain extensions of some of their main leads and the richness of those leads is admittedly so great as to make the B.C. Silver a worthy companion of Premier.

It is now assumed here that the deal has reached the stage where an estimate of actual tonnage and value of ore in sight is desirable.

Basis of Deal

A commonly accepted report on the terms of the pending sale of a portion of B.C. Silver's holdings is that Premier would increase its capitalization from 5,000,000 to 7,000,000 or 7,500,000 shares, paying for the claims conveyed to them with the 2,500,000 shares thus created. Premier already owns 38 per cent. of the B. C. Silver's fully issued capitalization of 1,500,000 shares of $1 par.

Other than the payment of shares the Premier need be involved in no expense by the purchase of B.C. Silver holdings. Drifts could be extended into the adjoining claims and the ore trammed through Premier workings into the Premier mill.

Enlarge Premier Mill

It is possible that another addition might be made to the mill to bring it up to a rated capacity of 500 or 600 tons. At present it is handling 430 tons daily although nominally a 400-ton mill.

That Premier ore bodies are by no means depleted is evidenced by the fact that although the company has taken out more than 320,000 tons of ore in the past 18 months known ore reserves, increased by diamond drilling, remain the same.

Premier stock has shown a firmer tendency after dropping to about $2.02 in early June. It is trading now between $2.10 and $2.11.

B.C. Silver is steady at about $1.68 to $1.70.

VIPOND JUNE FIGURES

During June at Vipond Consolidated Mines, 7,536 tons of ore were milled and bullion, to the value of $55,100.00 was shipped during the month. There were no noteworthy developments.

High Tin Values Near to Kirkland

The search for tin in the townships immediately north of Kirkland Lake is going steadily on and no little encouragement has been met with. Numerous assays have been secured showing commercial tin values. The most recent is that secured by K. E. Ansard, Kirkland Lake. He had his samples run by International Nickel assayers, Copper Cliff. Their samples gave the following results:

	Samples		
	3	4	5
Silver ozs.	1.04	96	98
Zinc %	—	2.05	3.70
Tin %	—	.10	.23

Sample No. 5 is $90 ore, $31 tin, $4 zinc, $ .55 silver.

ARE SHAREHOLDERS INTERESTED IN MINE OR SHARE MARKET?

Gradual Change Coming Where Public is Studying Position of Operations

"The bulk of our shareholders are watching the market and not the mine."

The above assertion was made to The Financial Post by one large mining operator. He was discussing the question of whether or not people were interested in the development of the mine. He did not think that many of his shareholders were. They did not buy stock to hold for dividends and were therefore not much interested in production and earnings. Their interest in the news of the mine was gauged by the effect of this news on the market price for the stock.

This used to be almost exclusively the case with Northern Ontario mines, yet this operator, when pressed on the point, admitted that there had been a change going on and that to-day there are a good many people buying the stock on the merits of the mine and are not so concerned with the market.

Another evidence of the change that is taking place in the public regard for the mining issues, is that of several cases which have cropped up recently where parents have been buying small blocks of stocks for their children. In a couple of cases Hollinger was the selection. In another McIntyre. Just recently one parent wrote from London, Ont., stating that he wished to pick up a few thousand shares of penny stocks for his son. He wanted something that would be still going when the lad, not yet going to school, would be finishing his education. The Financial Post's suggestion was that he should forget the penny stocks, buy Hollinger and let the dividends accumulate.

The subject of the public attitude was broached later to an engineer and he made the interesting point, that he thought that the interest of the public in the market, more than in the mines, was one of the reasons that the shares of the leading producing mines sold up so high as compared with large producers in U.S. and Great Britain. He thought that as the practice of studying the mines more than the market became more prevalent, there would be less tendency to discount good news and that better yields for the mining shares would result.

BIDGOOD DRILLING CUT PORPHYRY BODY

Exploratory Work Well Under Way on Kirkland Lake Property

Secretary W. B. McPherson, Bidgood Consolidated Mines, has issued a concise statement to shareholders on the work recently accomplished at the property. Following dewatering of the workings, diamond drilling was started and the first hole cut 75' of red feldspar porphyry one of the great ore carrying formations of the camp. The report says:

The plant and equipment and buildings have all been thoroughly overhauled, and are in good condition. The Mine has been completely dewatered, and as the shaft is 610' deep and there is 4,700' of lateral work, this involved a great deal of work.

Since re-opening, we have completed 1,057' of diamond drilling, part of which was on the surface, and cut what is known as the blue vein. The hole showed a strong break, and cut approximately 75' of quartz in red feldspar porphyry well mineralized. Additional surface work will be done in connection with this break.

Diamond drilling is also being carried out from the 600' level to cut veins found on the surface on the west side of Mud Lake, and work is also about to be undertaken on the 300' and 400' levels in sections which have shown ore over a length of about 35'.

A complete geological survey of the properties has been completed and shows the largest mass of porphyry in existence outside of the producing mines of Kirkland Lake.

All the properties are now patented and the Company's affairs are in first-class condition.

Mond Nickel Deliveries Exceeded All Previous Figures Despite Strike

Sir Alfred Mond Tells Shareholders Nickel Outlook Never so Bright

RESERVES ARE HIGH

Says Conservative Figures on Mines at Sudbury Now Show 40 Years Ore

Special Cable to The Financial Post.

LONDON, Eng.—When the chaotic condition which existed in industrial England in 1926, due to the coal strike is considered, the showing by Mond Nickel, is decidedly encouraging. The report shows a decline in gross earnings of £45,600, and to take care of dividends on the preferred and pay 12½ per cent. on the common, besides setting aside £15,000 debenture reserve, drawn on surplus.

The company's position, as revealed by the balance sheet figures, is particularly strong. Its surplus stands at £246,939 while reserves total £160,000.

Sir Alfred Mond, in his address to shareholders revealed details of the company's position in Canada that coincided in detail with the facts published recently by The Financial Post.

Ore Reserves High

Sir Alfred said that on a conservative estimate, the company has forty years reserves of ore, which total is infinitely larger than it ever was before. The figures published by The Post were 30 to 40 years.

Discussing the Mond holding of the Frood mine, Sir Alfred said that diamond drilling from the 2,000-ft. level (This drilling was going on when The Post mining editor visited the property) had disclosed better ore at 2,400-ft. than was encountered on the upper levels. While he did not say so, this is evidently the high grade copper-precious metal ore which International Nickel encountered in diamond drilling.

Cut Refinery Costs

Mond's refinery at Clydach, Wales, continues its economies and this is reducing steadily the cost of the final products which the company produces.

Important management and technical changes were made by the American Mond Nickel Co. of Clearwater, Pennsylvania. This is a subsidiary of Mond Nickel, organized to produce products for American consumption. Mond ships refined nickel from its refinery at Wales, and it is manufactured at Clearwater into products suitable for the U.S. market and which compete with International Nickel products. Sir Alfred said that this plant was expected to become a very remunerative and important part of the Mond operations. There is a steadily increasing use in United States and Canada for nickel goods and nickel alloys.

Concentrate on B.C.

Touching on the company's exploration syndicate operating in the Canadian mining fields, Victoria Syndicate and which is controlled by Mond and Central Mining and Investment Corporation, Sir Alfred said that work was now being concentrated on British Columbia where Victoria Syndicate is developing several promising properties. The properties acquired, they expected, would work out a profitable investment.

In regard the company's position in England, he said they had one great advantage over foreign producers, namely that consumers maintain their faith in the superiority, quality and purity of British products. He said that the nickel outlook was more promising than at any time in his recollection. Deliveries last year exceeded all previous figures despite the coal strike. The company's productive capacity he said is considerably in excess of deliveries.

Before giving the balance sheet figures, it might be noted that financial

(Continued on page 20)

Another Large Nickel Operation Being Organized

There will soon be an announcement of another big nickel corporation, said a well posted mining man to The Financial Post. Pressed for some details, he said he was not in a position to give facts, but he knew that the organization is rapidly reaching the stage where an announcement might be expected. Questioned as to where they expected to get their market, he said that the nickel is now selling around 38c. and the opinion of those behind the new venture is that if the price was 30 cents, the use of nickel would double and treble over night. For this reason they did not fear over production and an easing in nickel prices. It was the fall of nickel to 20c. that crippled British American Nickel and ultimately put it out of business.

FREE GOLD VEIN OPENED 1,400-FT.

News of Important Woman Lake Discovery is Sent to Toronto

Details have just come out of Woman Lake to the effect that a large high grade vein, 2 to 6-ft wide has been opened up by trenching on the Ontario Woman Lake Gold Mines property, the original discovery in the camp. M. C. Cowan, president of the company, is leaving to inspect the new find. The discovery was made in a north-south cross trench. It is in altered quartz porphyry with the quartz averaging 3 to 4-ft. wide. The vein runs due east and west and has been stripped completely for 350,-ft. and for the balance of 1,400-ft. intersected by a series of eight trenches. Overburden is 8 to 10-ft. deep. In every place where the vein has been opened and for the full 350-ft. stripped, free gold has been found to be continuous. To the west the vein dips into low ground and in one place in this swamp the vein was opened with a trench and the same results secured.

This is one of several good finds that have been made on this property. Another vein 55-ft. wide has been trenched for 446-ft. and a galena vein, 75-ft. wide has been trenched and opened in places for a half-mile. No. 4 vein, opened for 160-ft. carried gold values up to $64. Another vein carried well in silver. The property is north of Jackson, Manion, Henry Bros and the Dixon group.

Corona Gets Group in Kamiskotia Area

Corona Mines has secured an attractive block of ground in Kamiskotia, adjoining Hollinger holdings on the north and east. The company's engineer, Jos. Houston, has been making a study of the area and acquired this block. Meanwhile things are looking well in Corona group in Duprat on the Boischatel boundary. Ribago and McDougall, which adjoin Corona's holdings are opening up good looking ore and Corona people are satisfied that the zones they are opening up in the south part of their property are extensions of the Ribago and McDougall bodies.

Stories of Noranda Finds Coming Fast

Bullish news is going the rounds on Noranda. One report is that a discovery giving gold values has been found on one of the two upper levels, near No. 1 shaft. There was a find of gold ore on the 300-level and which seems to have possibilities. Especially for flux. Another report is that a drill hole below 300-ft. had intersected high-grade ore. These are the kind of reports that are bound to be forthcoming now that Noranda is opening up the mine below 300-ft. The position and extent of the ore on the 300-ft. level makes its downward extension certain.

HIGH VALUES ON CAPITAL ROUYN

Important ore discoveries have been recently made on Capital Rouyn. Representative assay from the last shipment of ore averages to $27.41 to the ton, with all sensational chalcopyrite samples eliminated.

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HOLLY WEAKNESS DUE TO SELLING TO PURCHASE NICKEL

Big Producers Shares at Present Level Yield Over 7 Per Cent.

Hollinger shares have continued around the recent low level of $18. At this level the yield is slightly over 7 per cent. Many are inquiring as to the cause of the weakness in these shares, now selling about $4 below the high for the year.

Officials of the company say that the market situation has nothing to do with the mining situation.

"There is no reason underlying the decline having to do with the property" said one Hollinger official. He added that the property is in better condition than ever.

Various brokers are speculating on the cause of the softness in the Hollinger market and the best suggestion advanced is that holders of large blocks of Hollinger have been switching part of their holdings to get into International Nickel. The great bulk of Hollinger, outside that of the Timmins interest, is held in Montreal. The large holders of Hollinger are also large holders in Consolidated Smelters. Smelters was a wonderful profit maker and still has big possibilities when the company comes around to considering a stock split. Nickel now gives indications of repeating the performance of Smelters, only in a lesser degree because of the high capitalization and this should come within the next year or two. On the other hand, they say, many feel that Hollinger will wait for them for a while, Smelters and Nickel may not. Montreal has been the big buyer of "Nickel."

All agree that Hollinger's main property has still great possibilities for a better showing. Earnings per share are bound to advance as costs are cut and dividends must eventually be increased. In addition there is considerable speculative value to Hollinger shares because of the Kamiskotia situation where the company has taken up large holdings and is now conducting development operations. In addition Hollinger holds 30,000 shares of Noranda which are worth at the present market, 13 cents on each Hollinger share.

Nortricia Mining Will Increase Development

From Our Own Correspondent.

MONTREAL.—It is understood that a substantial amount of work will be done on the Nortricia Mining Company's properties at Red Lake this summer. The company owns the Smith-Morrison group on East Bay. The Picture Gallery or Smith Mine is a series of wide veins, which make an imposing show on the side of the rock hill. This ore body has attracted the interest of the Guggenheims, owing to the high gold and silver assay results from the veins. At the present time work on these two ore bodies is in charge of William Smith, the original staker, and the balance of the extensive property is being thoroughly prospected by George Wilson.

The geology of the Nortricia Mining Company's property has been described by Dr. Bruce as paralleling in many ways that of the Porcupine and Kirkland Lake field, the main rock being greenstone, intruded by small masses of porphyry in close proximity to which the gold-bearing veins are found, forming with the schist a mineralized zone of large tonnage and rich content. As forecast by the geologists, the sulphides are found in greater profusion as more work is done on the finds, while finely divided free gold is found throughout, associated usually with a large quantity of gold tellurides.

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Two Good Indications on St. Anthony Group

St. Anthony Gold Mines has started work on its Montbray, Que., holdings. Boundary lines have been cut around the southern block of twenty claims. A base line for the dip needle survey has been cut north and south for the full length of the holdings. From this base line survey lines are being cut east and west across the property. These lines are 300 ft. apart and up to date approximately ten miles have been cut. Line cutting is at the rate of two and one half miles per day. Three weeks should see the line cutting completed.

A camp has been built and equipped for a force of ten men. As work progresses it will likely be necessary to erect other camps closer to the centre of the property. Lack of good water supply in the north section of the property prevents the building of camps in that section for the present. The present camp will be ample for all needs for some time.

While cutting lines on claims 9382 and 8377 in the north east corner of the property an occurrence of Dalmatianite was found. This is the "spotted dog" formation which is associated with ore in other sections of the Rouyn district. We consider the finding of this formation to be very favorable.

In addition to finding this formation, says Douglas Mutch, consulting engineer, we have located, one quarter mile west of the west boundary of the south block, an outcrop of coarse gabbro. This is the formation with which the important deposits at Noranda are associated. This will likely be found to extend on to the south block of claims.

Nothing has been done as yet in opening up the gossan zone found on claim 9868. This work can be done after lines have been cut, when we can put the crew on such prospecting. This section of the property where diabase has been located in contact with rhyolite offers good prospective chances. There is considerable mineralization showing in this section and the formation is favorable for ore deposition.

The recent find of chalco-pyrite made on the Oriole property to the west indicates that important deposits may be looked for. This showing has not as yet been opened up sufficiently to know its importance. It is, however, highly encouraging.

WALSH-KATRINE IS SEEKING NEW FUNDS

Good Results Met With in Work So Far Carried Out

Development work on Walsh-Katrine Gold Mines, East Kirkland Lake, has been advancing right up to a near production stage and Pres. Hugh Walsh says it is only a question of more capital being placed in the proposition to enable the company to continue development work and erect a mill on the property for the purpose of treating the ore.

Work to date has located ore bodies which give promise of great widths at a deeper horizon. The diamond drill cut 9 ft. of 14. ore on an angle of 45 degrees in number 4 vein, a considerable distance to the north of the working shaft.

A well mineralized ore body 42 feet on an angle of 60 degrees was cut 175 feet south of the shaft which averages over mining width $8.40 per ton. There is indicated by this drilling an ore body of over 300 ft. in length in No. 4 vein. As development work proceeds No. 4 vein, which gave commercial ore values at many points over a distance of 1,500 ft. on the surface, gives promise of being an ore body of importance.

No. 2 vein has been opened up for a considerable distance and sampling has given an average of $12.20 over a width of 5 feet.

Samples taken from No. 3 vein have given such high results that the average ore value, while above the commercial grade has not been determined. Some of the assays have run as follows:—$17.00, $22.00, $63.00, $65.00, $80.00, $95.00, $132.00.

Negotiations are under way for the pooling of all the outstanding treasury stock for a limited period. This move is for the purpose of raising funds to develop the ore bodies that now exist on the property. Holders of about 80% of the outstanding stock have agreed to pool. It is anticipated that the greater portion of the balance will be accounted for within a short period of time.

Walsh-Katrine has transferred the operating office to Ins. Exch. Bldg., Montreal, Que.

MINING STOCK QUOTATIONS

Week Ending July 11

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close July 11	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	.	....	....	60	56	60	2200	....	....	75	20
Aconda	.	....	....	22	17	18	33250	....	....	45	16
Allied M.	.	....	....	3.20	3.15	3.17	1600	....	....	5.51	2.70
Amal Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	.	....	....	2.55	2.40	2.44	391805	2.98	.90	2.89	.85
Algonquin	1	....	....	3	2¼	3	48000	6¼	1¼	5¼	2
Apex	1	....	....	1¼	1	1	16000	6	2¼	3½	1
Area	1	....	....	.49	.43	.44¼	111000	1.55	.21	1.95	.25
Argo. Con.	1	....	....	29½	27	28	121225	67	18½	59	25
Atlas	1	....	....	4	3¼	3¼	11350	5	1⅜	7	2
Archean	.	....	....	....	....	....	....	....	....	18	17
Ajax	1	....	....	10	10	10	1500	....	....	39	6½
Andrean	.	....	....	....	....	....	....	....	....	22½	15
Bard	.	....	....	.40	.35	.35	1300	....	....	1.59	.35
Baldwin	1	....	....	21	1	1	24600	6⅜	1	4¼	1
Barry Holl.	1	....	....	.30	.27	.27½	56500	1.00	.21	1.00	.25
Beaver	1	....	....	1.10	1.05	1.06	13700	.99	.51	1.22	.5½
Bellellen L.	1	....	....	3½	3½	3½	500	23½	20	23½	3½
Bidgood	1	....	....	10½	10	10⅛	22000	9⅝	4½	14½	5
Boischatel	.	....	....	6½	4½	4½	4600	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	4	3	3	13000	7¼	2	9½	3
Bunker H.	.	....	....	....	....	....	....	....	....	1.00	75¼
Calartic	.	....	....	....	....	....	....	....	....	1.00	.94
Can. Lorrain	1	....	....	14½	12	14¼	25600	93	57	72	10
Capitol S.	1	....	....	20	17	20	37500	48½	24	34	15½
Capitol R.	.	....	....	18	15	15	26700	43	26	51½	12½
Cen. Manitoba	1	....	....	1.52	1.46½	1.51	21100	....	....	1.90	1.07
Castle Tre.	1	....	....	.81	.75	.80	12037	1.85	.91	1.27	.75
Chaput H.	1	....	....	10½	7½	8½	47400	22	3⅛	13¼	4⅜
Clifton	1	....	....	....	....	....	....	6½	1	3½	1
Col. Kirk	1	....	....	2⅛	1⅜	2	105000	6¼	2	6	1⅜
Coniagas	5	....	....	4.00	3.95	3.95	1614	4.85	3.00	4.40	3.20
Coniaurum	5	....	....	3.30	3.10	3.25	1180	4.60	3.00	3.50	2.80
Cons. Smelter	25	10+5	1.09	235	226½	228	6842	265	177¼	264	215
C. W. Dome	1	....	....	7⅛	6	7	62350	29½	14	19	5½
Corona	1	....	....	15	10	12	71450	37½	20	37	10
Copper Hill	.	....	....	57½	56	57	34000	....	....	57¼	47
Comm. Mines	.	....	....	1.24	1.24	1.24	100	....	....	1.50	.71
Crown Res.	1	....	....	11½	10	11½	12700	24⅛	8	15¼	7
Coast Copper	.	....	....	16.00	14.00	15.00	78	....	....	22.00	14.00
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	43	40
Dorion	.	....	....	....	....	....	....	....	....	4.00	3.00
Dome Mines	None	$1	13.52	7.50	7.25	7.40	1490	20.00	8.00	10.85	6.85
Don Rouyn	1	....	....	27	23	27	90150	61	25	56½	17½
Duprat	1	....	....	8	6½	6½	103950	35½	8½	34½	6½
Dubec	.	....	....	1.10	.95	1.02	29200	....	....	1.10	.35
Dom. Lead	.	....	....	1.48	1.42	1.44	12600	....	....	1.48	1.05
D. Kirk	.	....	....	....	....	....	....	....	....	2¼	1½
Dunwell	.	....	....	....	....	....	....	....	....	1.51	1.50
Eastern Metal	.	....	....	12.00	11.00	12.00	400	....	....	12.00	10.00
Everett	1	....	....	2½	2½	2½	6000	12¼	3¼	5½	2¼
Fiske	.	....	....	....	....	....	....	16	12	30½	5
Fisher, Que.	1	....	....	63	50	61	12500	....	....	85	50
Goldale	1	....	....	26	24	26	23200	43	24	30	20
Gold Hill	1	....	....	29	25	26¼	41300	73½	25	51	25
Gold Reef	1	....	....	1	1	1	5000	5	1	2½	1
Gifford	1	....	....	....	....	....	....	....	....	1¼	1
Gladstone	10	....	....	....	....	....	....	....	....	29	26½
Grover Daley	1	....	....	11½	8	8¼	31850	32	18	37	8
Gold Ore	.	....	....	1.29	1.17	1.23	4350	....	....	1.29	.90
Harvie Exp.	None	....	....	15.05	14.00	14.14	3210	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.23	....	....	....	....	83	79½	87	84
Hill Top	1	....	....	11½	10	10	3700	31¼	20	24	10
Hollinger	5	26	7.02	18.70	18.00	18.50	10717	21.00	16.75	22.65	18.00
Howey Gold	1	....	....	67	60	60	4600	....	....	75	42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Holyrex	.	....	....	....	....	....	....	....	....	5½	5½
Indian	1	....	....	6½	5⅞	6½	4300	14½	2¼	11	4
Int. Nickel, c.	$25	2	3.21	63¼	61¼	62¼	28417	46	32½	75	38
Jay Copper	.	....	....	....	....	....	....	1.10	.73	1.26	1.04
Keeley	1	24	24.00	1.08	1.00	1.00	20050	1.90	1.39	1.66	1.00
Keora Mines	1	....	....	3¼	3	3	11600	22	11	12½	3
Kirk. Hunt	1	....	....	14¼	10	14	61300	34	8½	35	10
Kirk. Lake	1	....	....	1.44	1.37	1.37	118300	1.44	.69	1.51	.82
Kamisko	.	....	....	9.50	9.40	9.50	575	....	....	9.75	7.62
Kirkland G.B.	.	....	....	82	75	80	47895	....	....	82	75
Lake Shore	1	40+10	2.50	20.35	18.60	20.00	8425	16.15	9.50	21.10	15.40
Lakeside L.	1	....	....	1¼	1	1⅛	12000	10	1⅛	6	1
Laval	1	....	....	22	20	20¼	69800	45¼	21	55	19½
La Rose	1	....	....	6	6	6	1000	39	4	12	3½
Lorrain, c.	1	....	....	1⅜	1	1¼	4000	15	2	3¼	1
Lorrain T.L.	1	....	....	.75	.73	.75	3175	1.10	.30	.86	.25
Mentor	.	....	....	12.35	12.35	12.35	400	....	....	12.35	12.00
McDougall	.	....	....	37½	35	35	18100	....	....	50	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
M'tchatell	.	....	....	40	34	37	51950	....	....	40	30
Macassa	1	....	....	21	19	19	19300	43	25	37	19
McKinley	1	....	....	16	14	14	21300	26	8½	18	11
McIntyre	5	20	3.92	26.50	25.50	25.50	6140	29.75	22.70	27.50	24.00
Millcrest	1	....	....	6½	5¼	6	9700	21½	3½	6½	4
Mining Corp.	5	25	8.30	3.15	3.00	3.10	6695	4.45	2.60	3.65	2.90
Moneta	1	....	....	10½	10½	10½	2000	18	11	14	8¼
Montreal Rouyn	1	....	....	16	12	15½	35800	60	13	33	10
N. A. Dev.	.	....	....	1.30	1.10	1.15	12900	....	....	2.10	1.00
N. A. Lead	.	....	....	1.50	1.15	1.37	6150	1.75	1.50	2.75	1.00
Newray	1	....	....	....	....	....	....	45	31	34	28
Night Hawk	1	....	....	6½	6	6¼	13900	17	3¼	10½	4½
Nipissing	5	6	5.12	6.00	5.50	5.85	4525	9.25	4.95	10.30	5.35
Noranda	None	....	....	23.90	20.60	23.20	34326	24.75	12.00	25.00	19.95
Noranda, Rights	.	....	....	90	70	80	12508	....	....	90	70
Ophir	1	....	....	¼	¼	¼	14500	4¼	½	4⅜	¼
Ontario, L.C.	.	....	....	1.27	1.23	1.25	5500	....	....	1.27	1.03
Osisko	.	....	....	.43	.40	.41	7500	1.94	1.05	1.75	.40
P. L. Cobalt	1	....	....	4½	4½	4½	3000	32	14½	18	3½
Porc. Crown	1	....	....	5½	4	4	14375	12	4	11	4
Prec. Metal	.	....	....	22.00	21.00	22.00	1845	....	....	22.00	20.00
Pioneer	1	....	....	87	83	83	4300	1.22	.66	1.18	.83
Premier Gold	1	32	....	2.15	2.10	2.10	12150	2.75	1.83	2.30	1.86
Preston	1	....	....	4	3¼	3½	5500	9⅞	4	6	3
Potter Doal	.	....	....	18½	15	16	63050	....	....	65	15
Power & Mines	.	....	....	1.48	1.40	1.40	900	....	....	1.70	.75
Rouyn	1	....	....	2	1¼	1¼	5300	9	1⅞	5	1
Rouyn C.	.	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn, Que.	1	....	....	....	....	....	....	4½	1¼	4⅜	1
Ribago	1	....	....	29½	25	27¼	30950	....	....	87	13
Siscoe	.	....	....	....	....	....	....	....	....	25	12
South Keora	1	....	....	....	....	....	....	35½	5	64½	6½
Stadacona	None	....	....	20½	18	18	103750	51	40	55	15
St. Anthony	.	....	....	26¼	26	26¼	2000	....	....	37	10
Sylvanite	1	....	....	3.70	3.60	3.60	1950	....	....	4.30	2.60
St. Law. Zinc	.	....	....	82	80	82	400	....	....	82	72
Trojan	.	....	....	7.50	6.40	7.50	920	....	....	7.50	4.00
Teck Hughes	1	10	1.25	8.60	7.85	8.45	86784	5.55	2.65	8.60	5.35
Timiskaming	1	....	....	....	....	....	....	15¼	6	7	5
Thomp. Krist.	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	38	26	30½	227100	66	36	62½	26
Tawagmac.	1	....	....	4.00	3.40	3.42	26993	6.10	3.15	5.75	2.85
United Cop.	.	....	....	3.96	3.75	3.75	2100	....	....	5.32	3.10
Vic. Silver	1	....	....	3½	2¼	2¼	16750	96	3⅛	14	2¼
Vickers	1	....	....	.25	.25	.25	1200	1.22	.13	1.52	.25
Vipond	1	3	....	83	75	76	45445	2.02	1.49	1.75	.75
Wakenda	1	....	....	2	1	1	6000	2¼	1	5	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West Tree	1	....	....	3¼	2½	2½	1600	4	2	4	2
Wettlaufer	1	....	....	3½	3	3	14000	10	2	4¼	2
West Dome Lake	.	....	....	12½	11⅜	11⅜	2000	....	....	13½	11⅜
Wright Har.	None	20c	8.36	6.00	5.50	5.94	34530	....	....	6.65	5.50
Vac. Gas	.	....	....	12½	12	12	16000	....	....	26	3

Established Post Offices for Central Man. Mines

Winnipeg Central Manitoba mining area is to have a government postal service. Postoffices will be established at English Brook, Bisset and Wadhope within the next two weeks.

English Brook branch, located at the first landing of the Hole river; Bisset branch, situated in the middle of the summer portage between Little and Big Rice lakes.

Establishment of these postal points is regarded as a step forward in providing proper facilities for the men in the mining area. Previously all mail was taken to the district by private contract. In the summer it was brought from Riverton, and in the winter from Great Falls. The shortest overland trip was 140 miles. The only other means of bring in mail was by airplane, but this service was costly.

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HANDSOME BONUS FOR HOLDERS OF HARVIE SHARES

Four for Ten in Stock of Exploration Company of Canada

From Our Own Correspondent.

MONTREAL—The chief feature is the special general meeting of Harvie Mining Exploration Company, was the announcement that 400,000 shares of the Exploration Company of Canada will be alloted to Harvie Mining Exploration shareholders. The shares will be distributed as a bonus and thus, or every ten shares outstanding in the new Harvie company, there will be a bonus of four shares of the Exploration Company of Canada. The Exploration Company of Canada has a total capitalization of 2,000,000 shares and 20 per cent of the ownership will thus be in the hands of the shareholders of the Harvie Mining Company. The exploration company is composed of a group of strong mining interests and the company holds promising holdings in some of the newer mining camps.

To Exchange Shares

The special general meeting ratified the decision of the directors to incorporate a new company known as the Harvie Mining Company to acquire the assets of the present organization. The shareholders will receive five shares of new stock for each share presently held. Originally, it was intended that the shares in the new company have a par value of $5, but, shortly before the meeting, the management decided that it would be more in the interests of the shareholders to make the stock in the new company of no par value. Thus, it is necessary to hold a second special general meeting of the shareholders to ratify the change. When finally completed, the deal means nothing more or less than that the shareholders will hold five shares of no par value for each share which they now hold. Shareholders holding options on the stock of the present company will be able to exercise their options on the shares of the new company on a five for one basis.

Harvie's Work Lauded

The next special general meeting will be routine in character. At the meeting held July 8, several shareholders voiced expressions of appreciation of the work of Dr. Robert Harvie, the president. One shareholder asked the president if the Harvie Mining Exploration Co. could still be considered to be in the prospect stage. Dr. Harvie replied that while it was impossible to prophesy, yet in his opinion the results which have been achieved to date indicate that there will be a mine on the properties.

Of particular importance in Dr. Harvie's address was the outline of the activities of the new exploration operation. Its ramifications are widespread, and the most interesting feature, is that these important holdings have all been held up without shareholders being aware of it. The holding alloted to Harvie's shareholders is quite substantial.

Dr. Harvie's address in full follows:

During the past year concurrently with the exploration and acquisition of the Clericy groups, what are known as the Harvie interests have been engaged in the gradual formation of an exploration organization capable of securing the best advantage in the new mining areas as they are opened up. In view of the remarkable discoveries in the area which stretches from Manitoba eastward, particularly in several points in Ontario, the larger mining companies are devoting larger and larger sums to what might be described as ceaseless exploration.

This type of work takes many forms too numerous to describe here, but it is interesting to note that as much attention is being devoted to the re-examination of well-known fields as to entirely new areas. What this means is illustrated by the two really outstanding developments of the year—the proving of the vast deposits of zinc and lead by the Bunker Hill Sullivan Company in the very heart of one of the oldest mining areas in Ontario — the Sudbury region, and the great discoveries of copper in the Frood mine on the International and Mond Nickel properties in the same district.

For these purposes the Harvie interests and their associates have unusual facilities and these have been organized and employed until to-day there are very few developments from Manitoba to Nova Scotia which do not come to the early attention of Harvie field scouts.

Owing to the magnitude of the Clericy operations it was felt that the funds of the Harvie Mining Company should be reserved for that operation alone, and the creation of a widespread field force has been undertaken through an independent syndicate. This has grown to such proportions that it was decided several months ago by the Syndicate management to recommend the formation of a limited company, capable of taking the fullest possible advantage of the opportunities which are available.

All the undertakings have therefore been consolidated into a company to be named The Exploration Company of Canada Limited, with a capital of 2,000,000 shares of no par value. In consideration for the properties, options and a completed organization the Syndicate will receive 400,000 shares, or 20% of the capitalization. This may be regarded as a very conservative apportionment and it is Dr. Harvie's personal wish that this equity be turned over to the present Harvie Mining Exploration Company Ltd., and distributed to the shareholders as a bonus without entailing any obligation to the company or to the shareholders themselves.

The activities of this organization are as follows:

A—The development of a lead and zinc holding consisting of 2,000 acres in Gaspe adjoining the holdings of the Buronian Belt and Pioneer Mining Co.

This is a most promising new mining area in general and the property now being developed is admirably located.

B—Participation in the Cheticamp Syndicate in association with other mining interests in the prospecting of approximately 20 square miles in Cape Breton for lead and zinc.

This is a syndicate composed entirely of experienced mining men, and holds possibilities quite in keeping with the immense size of the area being explored.

C—The development of the one gold and one silver prospect in Northern Ontario. Each of these has marked possibilities and was acquired for clearly defined geological reasons.

D—An Ontario prospecting organization under the direction of one of the most experienced prospecting engineers in Canada consisting, for this summer's work, of five fully equipped prospecting parties operating in various parts of the Province. A discovery of sufficient importance to cause a new prospecting "rush" has been made by one of these parties during the past two weeks.

E—A Quebec prospecting organization which is in touch with all developments in Northern Quebec and which is preparing several parties for special expeditions. What appears to be an important discovery is now being studied but it is not considered advisable to disclose the whereabouts at the moment.

F—Participation in several syndicates operating for special reasons in various parts of Ontario.

The financial arrangements for this Exploration Company have been made and there is every reason to believe that the shares to be received by present Harvie shareholders will prove a valuable addition to the holdings in Harvie stock.

Balance sheets are to be mailed. Details presented, while not complete, show the Harvie finances to be in quite a healthy state. In cash and subscriptions coming in the company has $446,691 with liabilities of $60,000. Operations cost $10,000 monthly and this is being increased by the undertaking of a diamond drill campaign that will add another $4.000. Dr. Harvie's report revealed that Messrs. Alderson, MacKay and Armstrong have been retained to report on the company's holdings.

The report follows:

Harvie holdings consist of the six properties in N. W. Quebec — five of which have been acquired during the past nine months. The additions have followed the margin of the granite intrusion southward. The ore zones parallel the granite margin almost entirely within a width of three-quarters of a mile.

The following salient points give an idea of the Company's financial position.

Cash	$ 73,871.70	
Balance of subscriptions due and accounts receivable all due within a period of five months...	282,819.61	
Due from stocks under option	90,000.00	
TOTAL		$446,691.31
Current Accounts Payable	5,678.81	
Optional payments on properties due if options are exercised during the next two years..	57,500.00	
TOTAL		$ 63,178.81

The stock referred to as under option is part of the consideration for the purchase and optioning of properties. None of the directors or those connected with the company's management have any interest whatsoever in the optioned stock under this category.

Stock issues as follows:

Actual issue	143,419 shares
Under option	18,000 "

The present working programme is approximately $10,000 per month and this may be regarded as a maximum up to the stage of actual producing operations. To this may be added $4,000 per month for the diamond drilling campaign just commencing.

It will therefore be seen that the company's finances are generously ample to prove the mining possibilities of these properties and to bring the mining development to an operating and producing stage.

Messrs. Alderson MacKay and Armstrong have been employed to examine the properties and advise as to the further stages of development. Owing to the exceedingly thorough nature of their examination, which includes an extensive electrical survey their report will not be available for several weeks.

2 Rand Mines Pay Divide $7,350,000 For Half This Year

A few years ago Modderfontein Gold Mines on the Rand set up a record of distributing £1,000,000 a year in dividends. Hollinger's 1926 record was $5,806,000 and this year will be $6,396,000. Later the government areas of the Rand equaled Modderfontein's feat, and now, says Stock Exchange, Gazette, London, the Modderfontein is now almost in sight of paying £1,000,000 half yearly. The current six months' record dividend of 6s. 6d. per share will absorb £910,000! The Government Area is for the second time in succession paying out £560,000 to its shareholders, which will mean the Union Government receiving a somewhat larger sum in royalties under the lease. The above two wonderful mines now account together for more than a quarter of the dividend money disbursed by the whole of the Rand every six months, and yet neither has yet reached its zenith.

Kamiscotia Rouyn Syndicate Limited

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FALSE HOPES RAISED ONLY TO BE DASHED

Old Consolidated Mining and Smelting Shares of B. C. Spring Up Occasionally

Confusion of names not only causes a lot of missent mail, but sometimes raises false hopes in the minds of stockholders in obsolete or defunct mining companies with names similar to those of concerns which declare dividends or get otherwise into the public eye, says Mining Truth, of Spokane.

Every once in a while somebody back in Minnesota digs up a certificate for stock of the "Consolidated Mining & Smelting Company of British Columbia, Ltd." and goes about collecting "back dividends." The corporation of that name had gone out of existence before the company which operates the Sullivan mine and the Trail smelter was organized. The only difference in the corporate name is that the present company is "of Canada"—but the existence of the former concern had been forgotten when the old Canadian Consolidated adopted its present title in 1906.

Occasionally, too, a certificate for shares in the Federal Copper Mining & Smelting Company is confidently offered for sale at something over $100 a share, the holder evidently thinking he has become entitled to the dividend finally authorized on common stock of Federal Mining & Smelting Company.

Even stock in the Hecla Mining Company of Wyoming gets into the hands of brokers occasionally.

MAJESTIC IN SUDBURY WILL OPERATE AGAIN

Limited Amount of Work Done Has Shown Encouraging Values and Widths

Directors of Majestic Gold Mines and Lonergan Securities have returned from a visit to West River, Sudbury area, where they have been making arrangements for reopening of Majestic Gold Mine. The party motored from Toronto to the mine and report good roads all the way.

The Majestic mine has been inactive for a considerable period, but the bunk houses, accommodating 100 men, kitchen, dining room, and ice house are in the best of condition, as is also a club house for the convenience of visitors.

On the group are two quartz veins extending the full length of the four claims. Extensive stripping with numerous test pits has been carried out. No. 2 vein, the most interesting to study, being comprised of heavily-mineralized blue quartz, has a width of from 8 ft. to 75 ft.

On the McMillan property which adjoins the Majestic this vein continues and six diamond drill holes showed high values down to 500-ft.

On Majestic, two shafts, one 15 ft. and one 229 ft. were sunk and 800 odd feet of cross-cutting and drifting done. Assays taken and recorded at the Parliament Buildings, Toronto, run per ton: $4.80, $10.00, $43.20, $42.80, $44.80, $284.00, $695.60, (showing free gold), $50.00, $172.00, $5.60, 80c. (wall rock), and $141.20.

Average width of all samples, 6-ft. at various depths in shafts. Development of the property will be started at once.

WAITE UNITS STRONGER

Waite-Montgomery units, which are to be transferred into Waite-Ackerman-Montgomery shares, 200 shares per unit, have sold up from around $600 to $725 per unit. This level puts a price of $3.62 on Waite-Ackerman shares. Shares have been traded in 3.65 to 3.75.

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Additional Electrical Surveys Are Started

Electrical Survey of Warden Mines, adjoining Potter-Doal in Munro Township, Ontario, was started this week. The Schlumberger system is being employed.

The same company has started a survey of 25 Coniagas claims in N. W. Quebec, Boischatel, Duprat and Montbray Townships.

Keeley's Production Was Dropped During June

During June Keeley Silver Mines produced 101,339 ounces of silver, 10,531 pounds of Cobalt.

There was no new ore development during the month. This is the lowest monthly production in Keeley's history. and is due to the recent decision to curtail operations somewhat until the silver situation improves.

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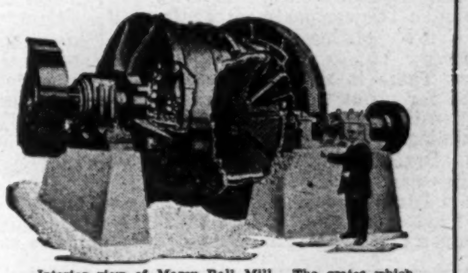
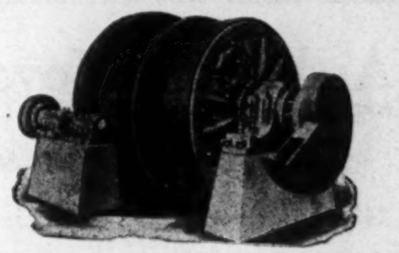


Interior view of Marcy Ball Mill. The grates which allow fines to pass out of the mill at its periphery into the lifters are shown at the right-hand side.



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ABANA PROPERTY IN N.-WEST QUEBEC OPENING OUT WELL

Big Operation Indicated by Drilling and Development Work to Date

The developments on Abana property in Desmeloizes Tp., N.W., Quebec, 20 miles north of the C.N.R. transcontinental line, are assuming ranking importance and has attracted a number of other operators to the area. Since the reorganization of Abana, following the ending of litigation last March, operations have driven ahead.

The average value of the ore extracted from the shaft sinking and station cutting so far, averages well over $35.00 per ton. The mineralized schist between the different massive deposits which appears to be the schist which is partly replaced along the cleavage planes runs from $2.00 to $20.00 per ton. There is therefore, the possibility of a high-grade orebody of between 50 and 60 ft. wide, lying north and paralleling this diabase dyke. The length, or continuity of this orebody could only be determined by underground development.

Diamond Drill Results

The diamond drilling campaign indicated at a depth of 150 ft. from bedrock and 125 ft. east of the shaft, the following section:

13′ 4″ massive sulphides averaging $24.12.

10′ 8″ mineralized rhyolite schist.

5′ 2″ massive sulphides averaging $22.87.

10′ 0″ mineralized schist.

3′ 8″ massive ore averaging $25.35.

16′ 0″ mineralized schist.

8′ 0″ massive ore averaging $45.80.

The ore was in the shaft to about 175 ft., at which point it dipped out on the north side. At 100 ft. a level was established and the station and shaft showed ore on all walls for a width of 23 ft. At the 200 ft. level another station was established, and in this station the last mentioned orebody was cut by extending a short crosscut from the station. This body had widened out from 8 ft. as indicated by the diamond drill at the 150 ft. level, to 16 ft. at the 200 ft. level, and a channel sample across the whole deposit averaged $32.60.

Shaft Down 235-ft.

The other three deposits were not cut at the 200 ft. level, but sinking was continued toward the 300 ft. level, and at present the shaft is 235 ft. deep. It is the intention to crosscut the four deposits at the 300-ft level, and then return to the 200-ft. and crosscut the remaining three and commence drifting operations so as to prove this deposit up laterally.

There is every indication that this property will develop into a large scale operation on account of the ore having been picked up 1,125 feet east from the shaft on the strike of the deposit, and west of the shaft the ore has been picked up on the surface for a distance of about 600-ft., making in all a total possible length as indicated by drilling and trenching, of 1,700-ft. The ore is essentially a replacement deposit in the acidic volcanic schists with a strike to about N.65° W. and dip 83° to the N.E. A diabase dyke about 50-ft. wide parallels this deposit and is exposed at a short distance southwest of the shaft, and was picked up by the drill at 1125-ft. east of the shaft after the drill had first penetrated the orebody.

May Be Continuous

At 125-ft. from the shaft the drill, after penetrating the orebody at this point, also ran into this diabase dyke, thus indicating that this diabase dyke follows the strike and dip of the volcanic schists. The ore deposition also conforms to the strike and dip of the volcanics and thus parallels the diabase dyke at a short distance north of the dyke, and there is good reason to believe that the ore is continuous for the length of this diabase dyke.

This property has an up-to-date plant, consisting of a new 550 cu. ft. Ingersoll-Rand steam driven convertible air compressor, a 110-h.p. return tubular boiler, an 8″ x 12″ hoist, a two-compartment shaft with a 4′ x 5′ hoisting compartment, with all new pumps, drills, ore buckets, etc. There is sufficient accommodation for about thirty men and in addition there is a warehouse and office building. This property is located in Desmeloizes Township, twelve miles north of Dupuy station on the Canadian National Railways.

Engineers who have visited the property say that at present there is every indication of this property outstripping everything in Northwestern Quebec for dimensions and values.

Others in the Area

Laval-Quebec has optioned a thousand acres to the east and southeast of Abana, and at present are at work there with a gang of ten or twelve men under the direction of Major Flood.

The Radiore Company of Los Angeles, Cal., are conducting an electrical survey on the Premier property lying northwest of Abana, and have met with very good success, in that they have located an underground conductor about 1,800 ft. in length. This region is now being trenched in order to determine the nature of this conductor which lies in a direction parallel to the strike of the country rock.

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I have 1,000 shares of Fiske. I would like to sell. Is the outlook getting better or worse?

You would have to sacrifice your Fiske to sell at present and the outlook is that the company will make a better showing from now on.

Don Rouyn

I hold a few shares of Don Rouyn. Some seem to think it will not amount to much. Might I get a better price in the fall?

Opinions are divided on Don Rouyn. Some are critical of it, some say it is a good speculation. They have been trying hard to find a mine. It is doubtful if you would be wise in selling now. There are indications of an active market for Quebec shares in the fall. You may then get a much higher price.

Northern Copper and Nickel

Have you ever heard of Northern Copper and Nickel Mines, Ltd?

We have no data on Northern Copper and Nickel Mines Co. We recently spent considerable time delving into the nickel-copper situation and its history, which included practically every company that ever operated in the nickel belt, but did not encounter this one. As there is considerable new activity in the area and many options were recently taken, it may be that this is just a new venture.

Potter-Doal

Please give us facts of Potter-Doal's location, capital, etc.

Potter-Doal is located in Munro Tp., north of the Kirkland Lake area. It is capitalized at $3,000,000, par $1.00 with 800,000 shares in the treasury. The company diamond drilled, shipped a car of ore, made an electrical survey, and is now drilling again.

The market has kind of soured of late. It looks like too much manipulation. Some say the break in the price of shares was caused by insiders selling.

No Exchange Agents Yet

Has Provident Trust taken up the work of Exchanging Rouyn Gold-Quebec-Ottawa shares for Quebec Gold Belt.

Prudential Trust has not yet been appointed officially as exchange agents, they inform us, for Rouyn Gold, etc. They are to be exchange agents and expect authority to act shortly, in fact steps may have already been taken in this direction. All fees are payable in advance in this connection and such formalities must be gone through before the trust company acts.

Duprat-Columbus

I have good Duprat, cost 30c. and 25,000 Columbus Kirkland 3½c. Holding a year or so won't inconvenience me. What is the outlook?

You are in a bad way on Duprat and Columbus. Every once in a while, someone takes a peek at the Columbus market and the stock moves up to 6, 7 or 8 cents.

Duprat may work out well. They are reorganizing, and will cut the stock in two. You will then have 4,500 shares that will stand you 60 cents. This is not a hopeful outlook for the moment. However, the company seems bent on giving shareholders a run for their money, and are taking on two additional well-located groups, and anything may happen if one of them opens out well. Under the existing circumstances, we think the reorganization was about the best possible move, as it enlarges the chances of the company getting somewhere. As far as we can learn, all monies have been handled well and the company has had highly skilled technical advice. Liquid assets stand around $90,000, putting the company in good position to start on its new holdings.

Grace Mines

I have 40 Canada Gold shares, 70 United Algoma. I am offered 40c. on United Algoma in exchange for Power and Mines. What is the situation?

This is said to be a somewhat complicated matter, and there has been a dispute on for some time that has held matters up. These involved control of Grace Mine, which is the venture behind the issues you mention. Raymond Bond, recently stated to the writer that he was in control now and that a meeting was pending. If he gets charge, Mr. Bond says he will put an outstanding engineer in charge and try and get somewhere with the mine. He says the Jubilee vein, one that has attracted much attention to the Michipicoten area, crosses the property.

Mining Corporation

What do you think of speculative possibilities of Mining Corporation at present?

Mining Corp. does not look too attractive at the moment because of the silver situation. The real speculation is in its interest in Flin Flon property, Northern Manitoba. The option has been extended to December, and the question to be decided is will it be taken up then. It seems to be accepted that the odds are that the option will ultimately be closed, but there is the possibility that a further extension may be sought. If such is the case, Mining Corp. will be dependent on the silver situation. Its earnings are good, and present dividend, 25c per share seems safe, but the public interest in silver is very low.

Letters by Aeroplane to Red Lake Now 5 Cents

It's cheaper to send a letter into or out of Red Woman and Narrow Lakes by aeroplane this year than last. Competition is the explanation. Fifty cents per letter was the 1926 charges. Early this year a new company entered the field and cut the price to 10c. Now the old company has come back with a bang and the rate is 5c.

MOND NICKEL EXCEEDS ALL PREVIOUS FIGURES DESPITE THE STRIKE

(Continued from page 17)

authorities of England are wiping out 1926 as a comparative year on industrial production because of the situation produced by the coal strike. Mond profit and loss figures and balance sheet are given briefly below:

Profit and Loss

	1927 £	1926 £
Gross Profit	528,730	574,371
Less		
Deb. Int.	73,750	96,393
General Chgs.	60,267	52,943
Director Fees	19,736	21,252
Net Profit	374,977	405,783
Pref. Divs.	262,500	236,370
Ord. Divs. 12½%	112,500	112,500
Deb. Res.	15,000	......
Written off Cap. Exp.	......	56,992
Deficit	15,023	......
Bal. Fund	33,189	48,212

Balance Sheet to April 30, 1927

	£
Assets	
Property and works in Canada	1,893,474
Property and works in U. K.	1,468,561
Assoc. Cos.	1,820,145
Stores	243,120
Ore, Raw Mat. and Products	1,809,766
Bills Rec.	408,695
Cash	54,893
Total	7,698,655
Liabilities	
Capital	4,650,000
Debentures	1,375,000
Acc. Interest	36,875
Bank Loan	167,000
Bills Pay.	570,580
Sundry Cred.	492,261
Reserves	160,000
Surplus	246,939
Total	7,698,655

AMULET STARTS NEW HOLE

Diamond drilling is proceeding on Amulet. A new hole having been started near the area boundary. This is a zinc showing.

Consolidated West Dome is offering shareholders 2,832,990 shares of new stock at 10 cents per share. Under the reorganization they get one new for two old.

12 Mineralized Zones Located on Eplett

The dip needle survey on Eplett Metcalfe property in Montbray Twp., Quebec, says the engineers report, issued recently, located at least twelve zones of mineralization, which include the original find and No. 2 showing, all having a general strike of north east-south west. A few of these zones have been shot into for a few feet in depth, revealing both bornite and chalcopyrite in small quantities, neither of which was evident on the surface. One of these we have just started work upon shows 10 feet of very heavily mineralized rhyolite, with copper minerals appearing after the first shooting.

Until the present time, our crew has been concentrating on the dip needle work, and consequently the real development has suffered. I feel, however, that we have done the correct thing and that subsequent work will prove it. With the completion of this branch of the work the whole crew will be used to open up the zones located and I am confident that good results will be obtained.

Nothing was done to extend the original showing, but a detailed survey with the dip needle shows the strike to be north east—south west and work will begin on this immediately.

An attached blue print shows the results of the dip needle work on the western part of the property, and we hope in a short time to have a geological map in shape to present. The geological work was carried along with the dip needle survey as far as it was possible to do so, and the details will be shortly worked out and the map completed.

We Recommend
Ontario Red Lake Syndicate
We invite enquiries on all mining stocks
METROPOLITAN FINANCE CORPORATION, LIMITED,
610 Metropolitan Building, Toronto.

Duprat Lake Shore Synd.
For information re the above send to
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Investment Securities
347 Bay Street Toronto

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
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We recommend
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'Phone Main 6212.

Capital Rouyn

Recent important discoveries made on this property stamp it as an outstanding speculation.

Full information on request

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"On-to-Profit with Ontabec"

$937,720

This figure represents the assets of Ontabec, Limited, at the present time.

Such financial resources are the safeguard of present and potential shareholders—assuring the necessary exploration work and acquisition of holdings to maintain the company's substantial growth with the mining industry.

The profit possibilities from Ontabec's present holdings—16 groups of properties comprising 5,000 acres—are exceedingly promising.

Your opportunity is apparent.

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LIMITED
(NO PERSONAL LIABILITY)

The work completed has proven the property to have great merit. Vein at 200 feet is 8 feet wide.

We have prepared a most up-to-date map of Northern Quebec. It is yours for the asking.

WRITE
Francis J. Hunter & Co.
Limited
Mezzanine Floor — Mount Royal Hotel
MONTREAL

FISKE GOLD MINES
LIMITED

—Gratifying News—

THE find of 10 structures on Block Number I of Fiske Gold Mines Limited has taken on a new significance as a result of the impressive finds on the immediately adjacent Don Rouyn property where an ore zone of magnitude has been proven.

It has been definitely established that the Fiske Structures are a continuation of the ore zone located and proven at depth on this adjacent property, and Fiske work is being energetically advanced.

It should be remembered that samples of ore blasted from this Fiske find assayed approximately 30 per cent pure copper—on a par with Noranda's best.

We believe that Fiske's aggressive field operations and excellent showings — especially on Block I — merit your keenest investment interest at this time.

For prompt news, write

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Announcing
ISBELL'S LIMITED
Dealers in
Mining Properties
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Hudson's Bay Co. Governor Outlines Company's Activity

Charles V. Sale, at Shareholders' Meeting in London, Tells Story of Year's Work in all Parts of Dominion

A very lengthy summary of Canadian business conditions and of the operations of the Hudson's Bay Company was given by Charles V Sale, the governor, at the annual meeting in London. After discussing the earnings figures (recently published in The Financial Post), Mr. Sale explained that delays in getting into the new Winnipeg building had reduced profits below expectations.

Transport in Far North

Discussing the different departments of the business, Mr. Sale began with transport. "Your new steamer, Bayrupert, which sailed from Gravesend on June 3, 1926, completed her maiden voyage to Hudson Bay," he said. "While lying off Chesterfield Inlet, on the west side of Hudson Bay, the Bayrupert spoke by wireless to the steamers Baychimo and Baymaud, which, having sailed from Vancouver on the other side of the continent, were delivering supplies to your posts in the Western Arctic. Thus verbal communication was held between vessels separated by 600 miles of Northern wilderness."

"The steamer Nascopie delivered supplies to the company's posts in Hudson Straits and Baffin Land and then proceeded to points still farther north, establishing new posts at Tukik and Sikinik. We have certain posts established on inlets which our large steamers cannot navigate with safety, and we have therefore acquired three motor schooners, each of about 100 tons, which have been renamed Fort Garry, Fort James and Fort Severn. These vessels will also be of use in other ways, as in the collection of fish and the distribution of supplies from central points.

Inland Water Transport

"In addition to the ocean-going vessels, we have, as you know, an inland water transport service, plying along the Peace River, the Athabasca River, Slave River, and northward on the Great Mackenzie to Aklavik in the Western Arctic. This service during the summer months last year transported over 2,000 passengers, 8,000 tons of merchandise, and 35 tons of mail. These figures are not large, but the service is the only one of its kind in the regions far north of the fertile plains of Canada, embracing many hundreds of thousands of square miles, in which the widely scattered population probably numbers less than 10,000 all told. When the rivers and lakes are frozen over, the work of transportation still goes on, for the trading posts, the missions, the natives and others must all be fed and kept in touch with civilization. In this important winter service we use horse and dog sleighs, which last winter traveled 140,000 miles and distributed 880 tons of supplies and 20 tons of mail, and I leave it to you to imagine the difficulties under which these far-flung lines of communication are kept open. The work carried on by the men in this service is undertaken as a matter of course, without advertisement, as part of the business.

Fur Trade and Conservation

The fur trade had been seriously affected by roving trappers; said Mr. Sale, pointing out that these men had no scruples in the use of poison or other short cuts to the extermination of fur-bearing animals.

"Upon your company, on the other hand, falls the responsibility of providing the scanty and scattered population of the great areas of the Northern Territories with the necessaries of life, which could not be done without the extensive and costly transport service to which I have alluded. Not only have we to stock ordinary supplies, but we have to be prepared for contingencies. We cannot afford to run short, because in a good fur year the successful hunters may demand the lot, while in times of famine or distress the improvident natives look to the company for food, medicine, and clothing, in exchange for their promise to bring us the results of their trapping. What we record in our accounts as "Indian debt" is a large expense incurred in order to maintain the population. From this expenditure by the company the small trader benefits without any corresponding contribution.

"Our records show, however, that this competition has always existed.

Saving Fur-Bearing Animals

"The completion of the railway to Hudson Bay will intensify competition of this nature over a larger area than ever before. It is therefore no matter for surprise that the Department of North-West Territories in Ottawa has expressed its concern and desire to conserve the fur-bearing animals from reckless extermination. Our interest in the conservation of the fur trade is no less great, and our influence has been used to this end for generations past.

In the days when the company's dominion marched with the fur trade, and beaver was the most desired fur, it was the rule of the company to restrict each district to the collection of a certain fixed number of beaver skins. We discouraged the hunting of beaver, or any other pelt, out of season, and strictly prohibited the killing of beaver in summer. In former times, when the Indians had the trapping in their hands, they loyally backed this policy, which was as much to their advantage as our own, and the pelts taken from each beaver colony were seldom in excess of what would keep the number stationary. This wise husbandry maintained, if I might so put it, the 'stock' on which the industry depends, but to-day there is undoubtedly serious risk of depletion due to reckless and indiscriminate slaughter, in and out of season, of the beaver and the other beautiful fur-bearing animals which make for the life and prosperity of those northern regions. It is in this connection that we have recently entered into arrangements with the Revillon Freres Trading Company, of Montreal, who own many posts contiguous to our own, which will enable both companies to avoid undue competition in the establishment of new posts, to consolidate their efforts on transport routes, and at the same time to co-operate in measures for safeguarding the interests of the native population, which, throughout our long association with the country, has been one of the primary objects of your company.

"We have, however, long realized that, while conservation is necessary in the best interests of the fur trade, it represents a negative policy and that it may be possible to adopt more positive measures. Of such is the farming of fur-bearing animals, and experiments have already passed the stage in which success was dependent upon the sale of breeding stock, and farms are now becoming a source for the supply of pelts. While the value of such pelts sold from fur farms in Canada in 1925 was only about 4 per cent. of the total fur production, it is nevertheless an indication which we think it desirable to follow. We have, therefore, acquired a share interest in two fox farms in Prince Edward Island, and look upon this not merely as an experiment but as a step in extending our fur trade to the three Maritime Provinces, in which so far we have never had any representation."

Mr. Sale explained that the Hudson's Bay Company has taken over the trade of the Moravian Mission, in Labrador, and now has completed a chain of posts on the Labrador coast from Cartwright, in the south, to Port Burwell, in the north.

See Bright Future for Stores

The governor gave an outline of progress at the company's retail stores in Western cities, established since 1910, for the time when the revenue from land might be expected to diminish. In part he said: "In Winnipeg progress has not been so rapid as we anticipated, but the external structure was completed in time for the occupation of three floors in November, 1926, and the internal fittings are now in course of completion, so that we hope to take over the entire premises from the contractors within the course of the next few weeks.

"The Calgary saleshop stands in the centre of another great city and is equally a credit to your company. So is the one in Victoria, and I may say that the manner in which these branches are developing is most satisfactory. We have completed the acquisition of additional properties next to our Edmonton saleshop in readiness for suitable extensions as soon as conditions are ripe. A greater future has opened up for Edmonton since the increase in mixed farming and the introduction of new and early maturing varieties of wheat, which extend the Wheat Belt much farther northward. We have no buildings in Regina, the capital of Saskatchewan, but are the owners of a central and very suitable site. When our present developments have been consolidated we feel that it will be really necessary to consider the erection of a saleshop in this growing and prosperous city."

Land Sales Are Better

Improvement was reported in the land development both by way of larger receipts from farm lands and a welcome diminution in taxation.

"We commenced the year with 2,819,000 acres of unsold farm lands; during the 12 months we have taken back 137,000 acres under 'Cancelled sales.' This represents a further stage in the process of clearing up land purchased during boom periods by speculators who have failed to pay more than the preliminary instalments. We have still some outstandings of like nature which may increase our unsold acreage, but the future number of such re-investments is not likely to be so large as it has been during the last few years. We have sold 271,000 acres and we have also surrendered to the government 8,300 acres under the agreement of December 23, 1924. Certain adjustments have still to be made under that agreement, but for practical purposes you may assume that we have very little more to receive from the government.

"We therefore close the year with 2,780,000 acres of unsold farm lands, dotted in lots of 640 acres, or less, throughout what is known as the Fertile Belt. Over 90 per cent. of these lands is suitable for farming and our holdings of really poor land have been reduced to less than 5 per cent. of the total. There is an impression that land for farming purposes in Canada is unlimited in quantity. So it may be, if distance from market and price are not considered. Careful survey shows, however, that the acreage still available at a reasonable price, within reasonable access to transportation facilities, is not very great, so that it will be satisfactory to you to know that over three-fourths of your acreage is favorably placed in this respect, lying as it does within 10 miles of a railway line, taking that distance as the crow flies."

Company Active in Oil

Incorporation of the Hudson's Bay Marland Oil Company was described. The company had acquired royalty leases and in these three wells have already been commenced in widely separated and fairly promising fields. "Although now down to 2,400-ft., and 3,000-ft., and 3,500-ft. respectively they have not yet shown any indication of oil. I have much pleasure in telling you that shortly after our last annual meeting we entered into an agreement with Mr. E. W. Marland, president of the Marland Oil Company of America, for a geological survey and study of the provinces within which our lands are situated, and especially in those areas in which conditions appear to favor the presence of oil. Mr. Marland has made great discoveries in regions similar in character to those prevailing in the Prairie Provinces, where buried ranges and hills may form the fundamental geological conditions for the accumulation of oil. Consequently, he brings to this work an invaluable fund of experience and knowledge of the strata which extend in a northerly direction from the United States to the Western Arctic.

"We have registered a company in Canada, namely, the Hudson's Bay Marland Oil Company, for the purpose of defining the interests of the Marland Oil Company and of ourselves, and we think the proprietors are fortunate in obtaining the co-operation with Mr. Marland on terms which are mutually satisfactory.

"I am very anxious to make our position clear in connexion with the possibility of discovering oil. For the time being we are only engaged in a process of investigation, and, although the results so far are encouraging, we have not made any discoveries, nor does Mr. Marland expect to recommend or undertake any drilling operations until he has made the most careful and complete analysis of the information which the various expeditions will gather."

Immigration Activities Are Broad

Hundreds of new settlers have been placed in the West by the company's immigration department, Mr. Sale explained. Continuance of the 3,000 family scheme is under consideration.

"The British government have been very anxious to continue this Three Thousand Family Scheme and are prepared to go a long way in granting assistance to settlers under the Empire Settlement Act, but we have not yet been able to bring about the necessary arrangements with the Canadian authorities, and there we must leave the matter for the time being in the hope that sooner or later both time and effort will be justified. Meanwhile consideration is being given to other possibilities for extending and promoting this important work."

Appeal Mineral Right's Decision

Mr. Sale announced that appeal would be taken to Privy Council against the decision of the Supreme Court of Canada which declared that mineral rights on the company's lands belonged to the Crown.

Speaking of the company's faith in the future of Canada, Mr. Sale stated that in the last two years, the company has invested in Canada $20,000,000 or more than the total of all dividends paid between the grant of the charter in 1670 and the deed of surrender in 1870. He paid glowing tribute to the assured destiny of Canada.

George W. Allan, K.C., of Winnipeg, chairman of the Canadian committee, reviewed the economic history of Western Canada and said:

"I can only say, in conclusion, that my faith and belief in the great future of Western Canada has never wavered in 48 years. It was never stronger than it is to-day, and my faith and belief in the great future of our company's business activities and properties in Canada is bound up and is part of my faith and belief in my country."

A shareholder asked whether there was any prospect of a further issue of capital and whether the company had acquired any sites in Toronto.

The chairman replied that the subject of a further issue of capital had not been considered and that the company had not considered the acquisition of sites or businesses in either Toronto or Montreal.

York Township Tells Its Industrial Attractions

The York Township Year Book for 1927, prepared and distributed by the Industrial Commissioners, gives in a brief and comprehensive manner a wealth of information regarding one of the oldest settled districts in the province of Ontario, and one which has lately sprang into prominence because of its rapid growth as a light manufacturing centre and home owners' area.

Some forty or fifty years ago, York Township included the greater part of the present city of Toronto. Expansion of the latter has resulted in a diminishment of the original idea, but the township is still sufficiently large to contain a population of 200,000 people, served by both the Canadian National and Canadian Pacific Railways and with every modern improvement in the shape of sewers, sidewalks, pavements, street railways and hydro system.

The Year Book sets forth the many advantages which York Township has to offer manufacturers. Situated as it is on the boundary of the city of Toronto, with its 700,000 of a population, the Township offers a large and valuable market for manufactured products, in addition to its own 50,000 people. Industrial sites and excellent transportation facilities are available. Every modern city convenience is to be found in the Township, while living conditions are unexcelled.

As regards the growth of York Township, the Year Book points out that in 1880 receipts of the Township only amounted to $68,551, while total assets totaled $45,242. By 1910 much more rapid growth had taken place, receipts totaling $219,826, with assets of $421,018. In 1920, a startling growth is shown, receipts amounting to $3,105,966, while the total assets had expanded to $4,957,913. For the year 1925, with the township a city in all but name, records show total receipts of $10,008,038 and assets of $14,495,249.

Space is given in the book to a description of the various manufacturing plants now located within the township. These include the plant of the Granite Concrete Block Co., Canadian Kodak Co., Warren Bituminous Paving Co., Toronto Asphalt Roofing Co., Willys-Overland Co., etc.

TRAIL SMELTER RECEIPTS

Ore receipts at Trail Smelter from 22nd June to 30th June, 1927, inclusive and from 1st January, 1927, to date, in tons:

	Week	Year
Company's mines	10,665	206,136
Other mines	3,664	82,275
Totals	14,329	288,411

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR

Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat

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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

New Issue

$600,000
Zimmerknit, Limited
7% Cumulative Redeemable Preference Shares
(Par Value $100 per Share)

The Cumulative Redeemable Preference Shares are preferred as to dividends and assets; entitled to cumulative preferential cash dividends at the rate of 7% per annum, payable quarterly by cheque (at par at any branch in Canada of the Company's bankers) on the first business day of February, May, August and November; redeemable in whole or in part at $105 and accrued dividend per share, on thirty days' prior notice at the option of the Company. Provision has been made for a reserve fund of 10% of the annual net earnings, available after payment of preferential dividends, for the third and subsequent fiscal years, to be used, on the Company's direction, in the redemption of preference stock.

Transfer Agent: The Royal Trust Company.
Registrar: National Trust Company, Limited.

CAPITALIZATION	Authorized	Outstanding
7% Cumulative Redeemable Preference Shares (this issue)................	$1,000,000	$600,000
Common Shares, without nominal or par value..........................	50,000 shares	25,000 shares

BUSINESS—Zimmerknit, Limited (the business of which was founded in 1907 by A. F. Zimmerman and the late Adam Zimmerman), owns and operates a thoroughly modern textile manufacturing plant at Hamilton, Ontario. Its chief products are underwear, hosiery and knit goods. The Company employs from 500 to 700 skilled textile workers. The Company's output is sold from coast to coast in Canada, and finds a ready market in Australia, New Zealand and other parts of the British Empire.

ASSETS—Fixed Assets (consisting of land, buildings, plant, machinery, etc., as per appraisal of Canadian Appraisal Co., Ltd., dated February 15th, 1927) at net depreciated value amounted to $798,756.67; plus additions to April 30th, 1927, of $1,164.75. Net Current Assets at April 30th, 1927 (as certified by Messrs. Thorne, Mulholland, Howson & McPherson, Chartered Accountants), after making provision for all current liabilities, amounted to $402,315.51. The combined Net Tangible Assets, therefore, as at April 30th, 1927, amounted to $1,202,236.93, or equal to $200 for each preference share.

EARNINGS—The average annual earnings of the business now owned by Zimmerknit, Limited, after depreciation and income taxes, available for preference dividends, as certified by Messrs. Thorne, Mulholland, Howson & McPherson, on a four-year average from May 1st, 1923, to April 30th, 1927, have been $69,271.15, which is 1.65 times preference dividend requirements and at the rate of $1.09 per share on the common stock after provision for preference dividends.

Net earnings, after depreciation and income taxes and available for preference dividends, as certified by Messrs. Thorne, Mulholland, Howson & McPherson, for the year ended April 30th, 1927, were $107,974.28, which is 2.57 times preference dividend requirements, and at the rate of $2.64 per share on the common stock after provision for preference dividends.

MANAGEMENT—Mr. R. L. Innes has been appointed the President and General Manager of the Company, and will have associated with him the present technical staff, many of whom have been identified with the enterprise since its inception. The Directors of the Company include the following:

R. L. INNES, *President*, Hamilton, Ont.
Director: Canadian Canners, Limited.
Director: Hamilton Dairies, Limited.

ALAN V. YOUNG, *Vice-President*, Hamilton, Ont.
President and General Manager: Hamilton Cotton Co., Limited.
Vice-President: Cosmos Imperial Mills, Limited.
Director: The Canadian Bank of Commerce.

MARK B. HOLTON, *Vice-President*, Hamilton, Ont.
Treasurer: Chipman-Holton Knitting Co., Limited.

WALTER S. BURRILL, Hamilton, Ont.
Vice-President and General Manager: Cosmos Imperial Mills, Limited.

H. B. GREENING, Hamilton, Ont.
President: B. Greening Wire Co., Limited.

A. F. ZIMMERMAN, Hamilton, Ont.
Zimmerman & Malloch.

F. J. MAW, Hamilton, Ont.
Vice-President: B. Greening Wire Co., Limited.

J. V. YOUNG, Hamilton, Ont.
Sec.-Treas.: Hamilton Cotton Co., Limited.

NORMAN F. FIRTH, Hamilton, Ont.
President: Firth Bros., Limited.
Director: Hamilton Dairies, Limited.

ST. CLAIR BALFOUR, Hamilton, Ont.
Balfour, Smye & Co.
Director: Hamilton Dairies, Limited.

JOHN M. FIRTH, Hamilton, Ont.
Sec.-Treas.: Firth Bros., Limited.

R. O. DENMAN, Hamilton, Ont.
President: Denman & Co., Limited.
Sec.-Treas.: Hamilton Dairies, Limited.

We offer the above shares when, as and if issued and received by us, subject to the approval of all legal details by our counsel, Messrs. Long & Daly.

PRICE: $100 (Par) per Share
With Bonus of One-Half Share of No Par Value Common Stock
Fractional Shares of Common Stock will be adjusted at $18.00 per share

Interim Certificates are ready for delivery.
The right is reserved to reject any or all applications and also in any case to award a smaller amount than is applied for.

Application will be made in due course to list these shares on the Toronto Stock Exchange.

R. A. DALY & CO.
TORONTO 2
Members Toronto Stock Exchange

DENMAN & CO.
LIMITED
HAMILTON

The statements in this advertisement, while not guaranteed by us, are from official sources which we believe reliable and on which we acted in purchasing these securities.

Insurance for Buyer and Seller

LIFE INSURANCE ON THIS CONTINENT IS SETTING PACE

So Sir Joseph Burn Tells World Actuarial Congress

From Our Own Correspondent.

LONDON.—The presidential address of Sir Joseph Burn, K.B.E., at the Eighth International Congress of Actuaries, held here, may well be read with pride by everyone interested in life insurance in Canada, for it pays high tribute to Canadian methods and American methods. Sir Joseph is general manager of the Prudential Assurance Co., and in addition to being president of the Congress, he is also president of the Institute of Actuaries. Sir Joseph said in part:

"The practice of Insurance, rightly considered, is one of the most efficient of present-day forces that are working for the good of human-kind.

"In these days one hears a great deal of extravagant talk concerning Socialism. One body of opinion expresses itself so violently in opposition and another body of opinion so vehemently in support, that the ordinary individual can only infer that confused thinking and misapprehension on the subject are very widespread. From many, if not from most points of view, all right-minded people must believe in Socialism. That is to say they must believe that if troubles can be borne collectively the result must be the greatest boon to the greatest number, and that it is not only foolish and uneconomic, but immoral not to provide each individual with the means of protecting himself against catastrophic events, and of fulfilling his family and social duties.

"Socialism, properly understood, is surely merely the application of these great and evident principles, and its practical fulfilment in the world as we find it to-day can most readily be obtained by the encouragement and improvement of all kinds of insurance.

"The wide dissemination of insurance is thus a high ideal which is worth considerable effort to obtain.

"Statistics show that the greatest advance towards the insurance ideal has been made by America.

Unselfish Institution

"In America, our colleagues have gone a long way in creating an atmosphere favorable to insurance. They appear to have taken greater trouble than most of us in teaching their canvassers and others that life assurance is an unselfish institution which should more particularly appeal to those who have the greatest affection for wife or children or others dependent upon them for their daily subsistence and comfort. Their more general adoption of collective advertisement appears to be a direct outcome of their endeavor to teach the underlying principles of insurance. They appear to have come to the wise conclusion that it is wasteful and foolish for each company to try to impress upon the public that it alone is worthy of consideration, when by combining they can so much more effectively and truthfully advertise that they all supply what everyone needs and what everyone will have in increasing volume as its necessity is more and more clearly recognized.

"The growth of all branches of insurance business, particularly life assurance in both the United States of America and Canada, is truly amazing.

"I recently took the trouble to collate statistics relating to life assurance in the United States and the British Isles at quinquennial intervals corresponding as nearly as possible to the dates of the various International Actuarial Congresses, and the comparison of the two sets of figures certainly gives food for reflection. In the case of both countries, the total ordinary sums assured, i.e., excluding industrial sums assured, show a continual upward movement, but the progression in the case of the United States is markedly more rapid than in the case of the British Isles, particularly of recent years.

"For example, over the thirty years from 1894 to 1924 the total ordinary sums assured in the British Isles increased from £526,000,000 to £1,209,000,000, or an increase of approximately 130 per cent., while in the United States, the corresponding figures are £931,000,000 and £8,355,000,000, or an increase of roughly 800 per cent.

"Even when allowance is made for the more rapid growth in the population of the United States over the period under consideration, the difference remains very marked, as will be evident from the fact that, whereas in 1894 the amount of life assurance per head was approximately the same in both countries, in 1924 the average per head in the United States appears to be about three times the figure for the British Isles, and even this comparison leaves out of account the sums assured under group policies, which have proved so popular in the United States in recent years.

"There are, of course, great influences at work which partly account for the difference I have mentioned. In the first place we must recognize that the rates of wages and salaries and the general cost of living have been and are much higher in America; also we know that the conditions of trade activity for various reasons have been far more favorable to an active campaign for a general increase of insurance business. However, after making every possible allowance for such influences as these, it is, I think, evident that in the United States and Canada the population as a whole is better educated as to the merits of all kinds of insurance. It would seem that insurance in America is considered more in the light of an efficient and necessary cover. This is more particularly evident in the case of life assurance which in America is regarded as a necessary provision for those who may be left in difficulty owing to the death of the "breadwinner" instead of, as is more often the case in this and other countries, a provision for the cost of burial or as individual saving by means of an endowment assurance."

Imperial Builds in Noranda

A contract has been let by the Imperial Bank of Canada calling for the construction of a business block 40 ft. by 95 ft. This will be the first business block in the Noranda townsite. The bank will have a completely up-to-date office, and the block will contain three stores on the ground floor. The building will be a solid brick, two-storey structure, trimmed with stone, and the second floor is to be arranged for offices and one suite of living apartments.

Group Insurance Protects 4,000,000

From Our Own Correspondent.

LONDON.—"Group insurance has become an important factor in welfare work in industry. Its remarkable growth is shown in the following table, showing insurance in force and new insurance written. The business shown is the total of six of the leading companies writing group insurance in the United States." Edmund E. Cammock, Actuary of Aetna Life Insurance Co.

Total Group Insurance in Force at End of Year

Year	Number of Policies	Amount of Insurance
1918	2,162	$ 586,000,000
1919	3,963	1,079,000,000
1920	5,980	1,584,000,000
1921	5,990	1,527,000,000
1922	6,703	1,767,000,000
1923	7,908	2,359,000,000
1924	8,969	3,040,000,000
1925	10,251	4,065,000,000
1926	11,891	5,048,000,000

Total New Group Insurance Issued

Year	Number of Policies	Amount of Insurance
1919	1,967	$425,000,000
1920	2,251	417,000,000
1921	699	108,000,000
1922	1,154	274,000,000
1923	1,559	517,000,000
1924	1,561	593,000,000
1925	1,917	985,000,000
1926	2,258	998,000,000

The number of employees insured in the United States and Canada at the end of 1926 under group life insurance policies approaches 4,000,000.

Superintendents Set Up Program of Quebec Meet

On August 30, the Association of Superintendents of Insurance of the provinces of Canada, will hold their tenth annual conference at Quebec City. The programme for the conference has been announced and in addition to the usual reports and discussions, the officers of the Association have prepared an exceptionally fine programme of addresses. Outstanding among the speakers are the names of James A. Beha, Superintendent of Insurance for the State of New York; and Hon. Howard P. Dunham, of Hartford, Insurance Commissioner for the State of Connecticut. Mr. Beha, is probably the most outstanding figure in insurance in the United States and this will be his first official appearance in Canada. The addresses are as follows:

"The Licensing of Insurance Agents," by Hon. Howard P. Dunham, Insurance Commissioner, State of Connecticut, Hartford, Connecticut.

"Workmen's Compensation Insurance in the United States," by Clarence W. Hobbs, Esq, Ex-Commissioner of Insurance, State of Massachusetts; Special Representative, National Convention of Insurance Commissioners, on National Council on Compensation Insurance.

Address by Hon. James A. Beha, vice-president, National Convention of Insurance Commissioners Superintendent of Insurance, State of New York.

"Do Provincial Laws Respecting Life Insurance Reserves Require Revision?" by Frank Sanderson, M.A., LL.D., F.F.A., F.A.S., Consulting Actuary, Ontario Department of Insurance.

"Problems Confronting Enactment of Uniform Life Insurance Act in the Province of Quebec," by Orwell E. Sharpe, Esq., Superintendent of Insurance, Province of Quebec.

Some of the subjects that will be discussed during the conference, include central deposit legislation; uniform annual statement blanks; hail and tornado legislation; "Free insurance" in the fire and casualty business; fraternal insurance legislation; underwriters' agencies; over-insurance of fire risks; accident and sickness legislation; automobile insurance legislation; and various matters concerning the licensing of insurance agents.

GROUP INSURANCE CUTS PROTECTION COST TO WORKERS

Low Cost is Due to Savings in Handling Many Policies

By E. E. CAMMACK,

Vice-President and Actuary, Ætna Life. Read before International Congress of Actuaries, London.

LONDON, Eng.—Group life insurance is a plan for insuring groups of persons under one policy without medical examination.

Its purpose is to provide insurance for moderate amounts to the working population through policies issued to employers of labor and insuring their employees at a minimum of cost. The low cost is made possible by the elimination of much of the expense necessarily incurred in ordinary business both in obtaining applications from individuals for ordinary policies and in administering such individual business.

One Year Renewable Term

Policies are written on the one-year renewable term basis and contain a scale of one-year term premiums. The total premium on the policy is the sum of the premiums for the individuals insured under it. An average rate per $1,000 of insurance is determined at the outset by dividing the total premium by the total sum insured, and this average rate is used throughout the year for adjusting the cost under the policy, usually each month, according to the actual amount of insurance in force. This average rate is recalculated at the beginning of each policy year upon the basis of the ages of the insured.

The amount of insurance for each individual is based upon some plan which precludes individual selection. For example, the amount of insurance is based upon salary, or upon term of service, or upon occupational class, or it may be the same for every individual in the group. Up to five years ago, it was usual for the employer to pay all the premium, and the policy stipulated that all employees must be insured. or all of a class determined by conditions pertaining to the employment. In this way the selection that would otherwise have been exercised against the insurance company through persons in poor health taking larger amounts of insurance than others has been avoided. The theory underlying the plan is that a group of employees on one employer will, on the average, be a good body of lives.

Cost Divided Between Employer and Employees

In recent years it has become the custom for the employee to pay part of the premium. In such cases the employer collects by payroll deduction and remits the total premium to the insurance company. The contribution of the employee is the same per $1,000 of insurance irrespective of his age. When employees contribute towards the premium, the insurance companies require that at least 75% of eligible employees shall be insured.

On the basis of the scale of rates in use by most of the companies in the United States, it has been found in practice that the average rate per $1,000 of insurance will vary with the character of the industry and with the distribution of ages of the employees and will run from about 65 cents a month to $1.50 a month. The average for all groups is approximately 90 cents a month per $1,000 of insurance. When employees contribute towards the premium, the insurance contract usually provides that the employer may charge his employees 60 cents a month per $1,000 of insurance and that he must pay the balance himself. This rule protects the insurance company. By its application the rate charged to the employees is lower, even for the younger men, than that which would be charged for an individual term policy, and the insurance is, therefore, attractive to all employees. It has been found that practically all eligible employees will subscribe to the plan and will continue to do so. If employees were charged the whole rate or a substantially higher contribution than the 60 cents a month per $1,000 mentioned, the plan would be unattractive to the younger men, and there would be a tendency for them to drop out even if they had been induced to join at the outset, and the purpose, therefore, of insuring practically all employees would fail.

By designing the plan so that all employees will continue to subscribe to it, about the same average rate of premium is maintained from year to year because the age distribution of employees in a going plant does not change very much from year to year. In short, the contribution of the employee is fixed and the balance of the cost is paid by the employer, and any change in rate, therefore, or allotment from profits or with profit policies affects only the employer's contribution toward the cost. On Group Life Insurance now written in the United States and Canada, it may be said that upon the whole employees are paying from two-thirds to three-quarters of the cost and employers the balance.

After several years of experience, the Insurance Commissioners of the various states have adopted the following definition for group life insurance:

> "Group life insurance is hereby declared to be that form of life insurance covering not less than fifty employees, with or without medical examination, written under a policy issued to the employer, the premium

(Continued on page 24)

54 More Chartered Life Underwriters; Results of Examinations Announced

There are now 54 more Canadian life insurance underwriters who are entitled to write the letters "C.L.U." after their names according to the results of the annual examinations which were held some weeks ago. In addition to these successful candidates, there are some 27 candidates for the degree who must pass a supplemental examination before being finally admitted to the charmed circle. The examinations were held in all the parts of Canada, and the degree is granted under authority of the Dominion Parliament. The examination comprises four papers: 1. The Fundamentals of Life Insurance; 2. Salesmanship; 3. History, Law and Ethics; 4. Life Underwriting. The following are the names of the 54 successful candidates by provinces:

New Brunswick—H. A. Watson, (Imperial), Fredericton.

Quebec—N. R. Beaudet, (Confederation); J. P. J. Caswell, (Imperial); G. J. Mathewson, (Imperial); E. S. Taylor, (Sun); F. C. Stein, (Imperial), Montreal; G. A. Beaudry, (Sun), Quebec; J. A. Saucier, (Northern), Riviere du Loup.

Ontario.—W. E. Hamilton, (Sun), Guelph; R. J. Winter, (London), Gore Bay; A. Pollard, (London), London; W. E. Wolfe, (London), North Bay; W. C. Wait, (National), Ottawa; Euclid Bonin, (Aetna), James E. Ryan, (Imperial), Port Arthur; S. J. Allen, (Mutual), S. J. Allin, Jr., (Mutual), Miss O. B. Cale, (Sun), W. A. Carson, (London), S. C. Brasier, (Dominion); H. C. Henderson, (North American); J. M. Huddart, (Canada), E. P. Hunter, (Dominion), B. Johnston. (Sun), E. C. Marr (Sun), A. E. Rundle, (North American), O. G. Smith, (Mutual), S. M. Wickens, (Sun), Toronto.

Manitoba.—T. H. N. Fleming, (London), J. G. MacKenzie, (North American), Brandon; W. E. Browne, (London), Norwood; G. V. Dingle, (Manufacturers), W. K. L. Greig, (London), W. A. Kennedy, (Manufacturers), E. J. M. Loucks, (Sun), G. G. Miller, (Manufacturers), H. G. Nares, (Mutual, of New York), H. S. Robinson, (Sun), Winnipeg.

Saskatchewan.—J. H. Hilton, (Western Empire), G. J. S. Loynes, (Sun), Saskatoon.

Alberta.—L. C. Bierwagen, (Metropolitan), Miss J. L. P. Church, (New York), A. Guay, (London), Miss P. L. Pue, (New York), T. H. Wray, (Metropolitan), Calgary; A. Clements, (Metropolitan), D. N. McLean, (Sun), H. H. Sterns, (Mutual), Edmonton; J. G. Graham, (London), Lethbridge.

British Columbia.—G. A. Costigan, (Canada), J. B. Forster, (London), C. J. Higgins, (Mutual) W. W. Hutton (Sun), Vancouver; F. Lewin, (Confederation), Victoria.

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What value a human being!

"Men are like figures; they acquire their value from their position."

—Napoleon

The value of your life runs up into tens of thousands of dollars and depends altogether on your position. It equals the sum of what you expect to earn throughout your life.

This intangible fortune can be made real by means of life insurance. You *should* make it real because Death bankrupts a life not adequately insured, and your family will suffer.

To protect your family the London Life grants insurance on three popular 'reduced premium' plans—the Jubilee, the Earning Power, the Duplex.

For example, the rates are such that simply the interest on $10,000 Victory Bonds would purchase from $30,000 to $44,000 life insurance at age 30, according to the plan selected to meet your needs.

Men appreciate low-initial-cost participating plans because they furnish full protection without hampering one's finances.

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TRUE STORIES about LIFE INSURANCE by a REPRESENTATIVE of the MUTUAL LIFE

NOW she knows the Value of Monthly Income Insurance

I SOLD a man a Continuous Monthly Income Policy in favour of his wife, to provide her $200 per month, in case of his prior death, which took place a few years later.

Not long after her husband's death, her brother came to her to borrow some money to put in his business.

She answered the simple truth — she had no money.

"Why, you have Tom's insurance," he said.

She explained that her husband had left her an income of $200 per month. She had no lump sum at her disposal. She was sorry, but, afterwards, she realized her husband had been wise.

"Because," she told me, "if I had had a lump sum, I would have lent it. And it would have been lost, because, within two years, my brother failed. I never realized the full value of Monthly Income Insurance until that time."

Let our Representative explain the advantages of the Mutual Monthly Income Policy.

The MUTUAL LIFE
of Canada
WATERLOO, ONTARIO

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Current Events in Banking World

BANKS SHIFTED MONEY TO STOCKS IN HOME MARKET

Bank Statement Also Shows Decline in Savings Deposits

A shift of funds from American to Canadian stock markets recalling the high speculative excitement in Canadian securities that immediately preceded the recent readjustment in many stocks, was one of the features revealed of the Canadian bank statement for May.

Call loans in Canada increased $18,000,000 during the month to $178,000,000 while call loans abroad declined $16,000,000 to $240,000,000.

Less Money in Liquid Assets

The bank statement also revealed a decided progress in the placing of bank assets in more productive channels, the immediately available liquid assets showing a decline of $6,000,000 to $908,000,000 while security holdings (other than government securities) current loans etc., increased by $5,400,000 to $1,743,000,000.

The net result of May changes was to decrease assets of the banks by $230,114.

Savings deposits showed a decline of $15,000,000 during the month. Explanations for this probably lie in the large amount of stock and bond investing during the month and the withdrawal of money for spring and summer agricultural operations. Total deposits of the banks, however, showed an increase due to the increase in demand deposits.

A comparative statement of the April and May 1927 bank statements and the April 1926 bank statement, as compiled by The Financial Post, appears below.

BANK STATEMENT FOR MONTH OF MAY

Immediately Available Liquid Resources

Assets

	May, 1927 $	April, 1927 $	Change $	May, 1926 $	Change $
Specie	69,906,402	74,000,217—	4,093,815	59,258,603+	10,647,799
Dominion Notes	99,800,119	107,203,664—	7,403,545	112,002,263—	12,202,144
Gold Reserve	63,270,332	67,120,332—	3,850,000	60,260,332+	3,010,000
Foreign Banks	68,375,058	75,679,829—	7,304,771	65,681,243+	2,693,815
Foreign Curr.	22,735,414	20,758,637+	1,976,777	28,242,354—	5,506,940
Govt. Secs.	327,984,012	329,751,394—	1,767,382	350,183,078—	22,199,066
Call Loans Abroad	256,145,712	239,986,970+	16,158,742	216,745,354+	39,400,358
	908,217,049	914,501,043—	6,283,994	892,373,227+	15,843,822
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	137,393,873	133,705,946+	3,687,927	129,295,639+	8,098,234
Rly. Secs.	64,752,757	64,157,627+	595,130	64,705,820+	46,937
Can. Call Loans	177,858,196	159,933,000+	17,925,196	143,425,255+	34,432,941
Current Loans	1,022,732,000	1,022,450,926+	281,074	926,508,698+	96,223,302
Loans Abroad	253,644,902	275,973,458—	22,328,556	268,147,515—	14,502,613
Prov. and Mun. Loans	86,489,799	81,244,881+	5,244,918	102,215,554—	15,725,755
	1,742,871,527	1,737,465,838+	5,405,689	1,634,298,481+	108,573,046
Other Assets					
Non. Curr. Loans	8,878,510	8,988,253—	109,743	9,370,143—	491,633
Real Estate	7,833,194	7,687,214+	145,980	8,320,192—	486,998
Mortgages	6,214,228	6,212,134+	2,094	5,715,034+	499,194
Premises	71,063,444	70,793,825+	269,619	71,708,213—	644,769
Lets. of Credit	72,429,724	73,273,471+	843,747	75,079,631—	2,649,907
Loans to Comp.	6,834,844	6,546,081+	288,763	5,084,342+	1,750,502
Other Assets	3,003,883	2,911,672+	92,211	3,081,575—	77,692
	176,257,827	176,412,650—	154,823	178,359,130—	2,101,303
Total	2,827,846,403	2,828,379,531—	1,033,128	2,705,030,838+	122,315,565
Note Cir. Dep.	5,778,741	5,778,741	....	5,810,527—	31,786
Int. Bk. Bal.	143,589,295	142,786,281+	803,014	129,604,624+	13,984,671
Gross	2,976,714,439	2,976,944,553—	230,114	2,840,445,989+	136,268,450
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	164,506,202	172,105,609—	7,599,407	164,334,624+	171,578
Dom. Govt.	39,302,701	29,100,424+	10,202,277	41,433,238—	2,130,537
Prov. Govt.	29,216,942	23,283,100+	5,933,842	22,705,481+	6,511,461
Govt. Advances	8,700,000	20,800,000—	12,100,000	15,800,000—	7,100,000
Deposits by Public					
Demand Dep.	583,371,882	564,871,807+	18,500,075	539,227,960+	44,143,922
Savings Dep.	1,389,750,483	1,405,213,554—	15,463,071	1,334,842,107+	54,908,376
Total	1,973,122,365	1,970,085,361+	3,037,004	1,874,070,067+	99,052,298
Foreign Dep.	347,817,441	348,731,958—	914,517	322,922,325+	24,895,116
Due Banks Abroad, Etc.					
United Kingdom	4,994,098	3,145,126+	1,848,972	3,947,661+	1,046,437
Foreign	44,487,524	37,588,041+	6,899,483	40,986,364+	3,501,160
Bills Pay.	8,706,236	7,697,677+	1,008,559	10,502,642—	1,796,406
Lets. of Credit	72,429,724	73,273,471—	843,747	75,079,631—	2,649,907
Other Liab.	2,337,050	2,292,736+	44,314	1,678,571+	658,479
Pub. Liab.	2,695,620,283	2,688,103,503+	7,516,780	2,573,460,604+	122,159,679
Due Bet. Banks	10,333,700	15,925,355—	5,591,655	9,097,750+	1,235,950
Liability to Shareholders					
Dividends	2,798,881	1,327,605+	1,471,276	2,635,970+	162,911
Reserve	129,886,210	129,695,980+	190,230	125,441,700+	4,444,510
Capital	121,609,170	121,418,940+	190,230	116,164,660+	5,444,510
Gross	2,960,248,244	2,956,471,383+	3,776,861	2,826,800,684+	133,447,560

Staff Gossip

Howard Krafft, of the staff of the Bank of Commerce, Cayuga, has been transferred to the Dunnville branch. —Gazette, Dunnville.

• • •

Well earned promotion has come to H. J. McLeod, who for the past six years has been accountant of the Prince Albert branch of the Canadian Bank of Commerce, in the shape of his appointment as manager of the Buchanan branch of the bank.

A. R. McFarlan, of Regina, has been appointed to succeed Mr. McLeod here as accountant.—Herald, Prince Albert.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	July 8, 1926	July 7, 1927
Halifax	$ 5,158,699	$ 3,308,981
St. John	3,347,204	2,777,304
Moncton	1,122,065	940,137
Sherbrooke	1,205,723	991,220
Quebec	9,021,226	7,000,394
Montreal	131,054,197	145,483,211
Ottawa	8,230,881	6,483,182
Kingston	1,272,130	1,157,742
Peterboro'	1,325,763	1,170,645
Toronto	121,008,246	104,336,222
Hamilton	6,453,688	6,458,455
Brantford	1,696,491	1,540,795
London	3,722,418	3,675,886
Chatham	796,207	916,334
Kitchener	1,118,791	1,100,030
Sarnia	702,899	661,694
Windsor	4,839,794	....

Western Cities

	July 8, 1926	July 7, 1927
Fort William	$ 1,126,434	$ 945,542
Winnipeg	56,268,638	59,862,732
Brandon	833,771	569,057
Regina	....	4,891,785
Moose Jaw	1,628,742	1,448,117
Saskatoon	2,162,107	2,169,908
Prince Albert	476,811	421,998
Lethbridge	653,427	480,932
Calgary	7,951,394	5,920,160
Edmonton	6,119,890	8,207,077
Medicine Hat	503,706	427,280
New Westminster	1,403,874	899,395
Vancouver	20,677,928	17,010,475
Victoria	2,868,850	2,269,381

Banks and Banking

An Historical Sketch by PROF. A. STANLEY WALKER, Halifax.

Second Article Describes How Bank of England Was Formed to Meet Credit Needs of War-torn England

In England, throughout the Middle Ages and on to the seventeenth century, the art and craft of banking lay in the hands of the "goldsmiths"—a mixture of merchant, moneylender and pawnbroker. These men, of whom George Heriot in Scott's "Fortunes of Nigel" is an example, grew rich, in days before national debts were invented, by lending money to royalty at very high rates of interest. They were a necessity, for royalty and a public bank were considered then as incompatibles. There was reason behind such an opinion. In 1638 Charles I stole all the money in the mint—a matter of £204,000—and thirty-four years later, his son, Charles II, committed a raid upon the exchequer which netted him £1,328,526. The only chance for the safe establishment of a bank seemed to lie in a revolution. It came in 1688, with the arrival in England of William III.

The London goldsmiths were naturally hostile to any potential bank. Not only had they acted as royal bankers: they had been in the habit of receiving deposits and of issuing notes upon the same to convenience their customers who were obliged to travel on business through a country infested with highwaymen and footpads. Also they discounted foreign bills, often at great profit to themselves, in days when the price of a commodity might easily treble itself in a week owing to the perils of the sea, and the consequent effects of short supplies in an empty market.

But Bank Was Necessary

But the difficulties of William III made a public bank a necessity. Nobody was willing to lend money at any rate of interest at all to a foreign king who might any day return to Holland and repudiate his promises. The days were gone by when a country's credit was a personal matter depending on the royal signature alone. The time was ripe for the creation of a national debt built up upon the security of national taxes. The proposer of the Bank of England was a Scot named Peterson. By some he is said to have been a missionary in the Antilles. By others he is described as a pirate. Perhaps he was both by turns! However that may be, his idea was welcome to Montague, who was being pressed by William to provide funds for a land campaign against Louis XIV. In 1694, therefore, Montague raised a million pounds by a lottery, and gave a charter to a company of bankers in return for a loan, subscribed in a very few days, of £1,200,000 at seven per cent.

The French wars begun by William are well-known. He started that series of Anglo-French campaigns which eventually added Canada to the Empire and lost the American colonies. With the foundation of the Bank of England began that equally well-known period of Dutch finance. And Dutch it actually was. The first Governor of the Bank was Sir John Hublon, and two of his brothers were co-directors. The Hublons were members of a Flemish family driven from Flanders to England during the persecution of Alva. They, with the English Whigs and Dissenters, who formed the keenest and most compact body of London business men in the late seventeenth century, began that system of careful banking which has proved a model to the succeeding business world.

When Bank of England Was Young

Nevertheless, the new bank had its early troubles. The first was due to the impoverished state of the existing coinage, an evil of long standing. Nor had this evil ever been seriously tackled. New issues of increased fineness had frequently been authorised to run concurrently with the old. They had immediately suffered exportation or the melting pot, according to the principles of Gresham's Law. Now, for the first time, the English government undertook the scientific step of ordering a complete re-issue, but the thing was slowly and reluctantly done. In the second place a lack of business experience led the bank, under considerable pressure, to overissue credit to the government on the security of future taxation, so that, within two years of its foundation, the bank, with its cash in hand standing around £35,000 had issues extant exceeding £1,600,000. A severe fright, a demonstration in parliament of the bank's actual solvency and an increased caution in the future were all that saved the infant institution from collapse.

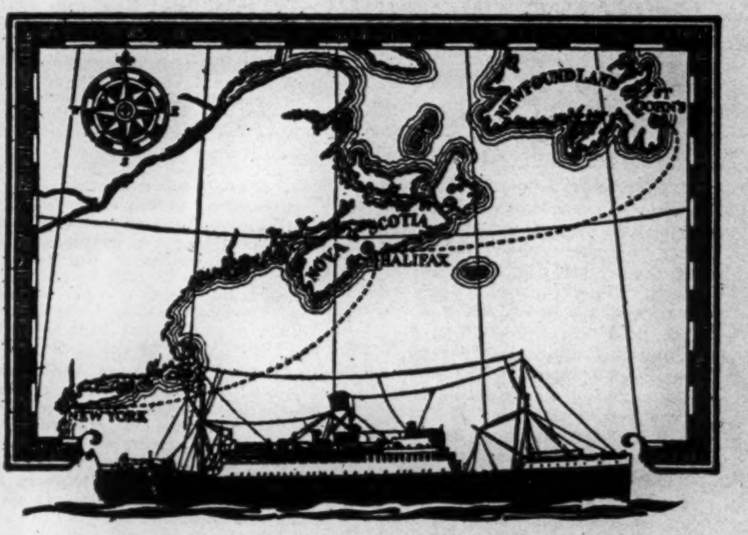
The invention, by Montague, of Exchequer bills, issued at a fixed rate of interest against future taxation and redeemable at a given date, obviated, except in times of extreme crisis, the necessity of such over-issues in the future. The third of the young bank's difficulties was of a partisan nature. The country gentlemen and Tories, jealous of the financial supremacy of the London Whigs, proposed, in 1696, the creation of a land bank. Encouraged by the known possibility of increasing credit and the elasticity of the currency by means of instruments not in themselves cash, these gentlemen were persuaded that cash might be entirely dispensed with in banking business and its place taken by land which should stand as security for a note issue. Anyone in this country who has tried to raise a loan from his bank with a mortgage on land as his first security knows what Canadian law and Canadian bankers think of such a proposition. Land is far from being a fluid asset at any time—least of all in times of panic. The French, in the early days of the First Revolution, issued their "assignats" on the security of the "domaines nationaux." The fate of this paper proves the wisdom of the century earlier policy of the Bank of England. The French government repudiated its liabilities, and to-day you may occasionally pick up fifty livres worth of French assignats of the year 1794 for about five cents in some old curiosity shop.

Full Century of Peace

Happily the Bank of England survived Tory counter-schemes. No further crisis of a serious nature troubled it for a full century. Then, during the Napoleonic War, under a system of appalling finance, the demands of the government on the bank led again to tremendous over-borrowings and finally to the famous suspension of cash payments. That war, perhaps, marked the end of another period in the history of finance, the period, that is, of the supremacy of the bank-note as the chief type of credit instrument. The cheque, the draft and, above all, the bill of exchange, were shortly to come into their kingdom. But when, in 1844, Peel officially inaugurated the new era, it was, strangely enough, the bank-note which engaged his closest attention in the drawing up of his famous bill.

Bank of Montreal Opens Branch

The Bank of Montreal announces that a branch of the bank will be opened on or about the 18th instant at 2330 Bloor Street West, Runnymede District, Toronto, to be designated "Bloor Street and Windermere Avenue Branch," under the management of R. J. Gilfillan.



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RED CROSS LINE

12-Day—$120.00 Up

To Halifax, Nova Scotia, and St. John's

NEWFOUNDLAND

The most unique, healthful and desirable vacation cruise from New York combines novelty, grandeur, delightful climate and a charming sea voyage with absolute comfort. No hotel bills or transfers; you live on the ship—it is your home for the entire cruise. Sea Sports, Orchestra, Dancing, Excellent Cuisine.

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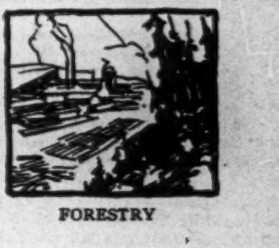
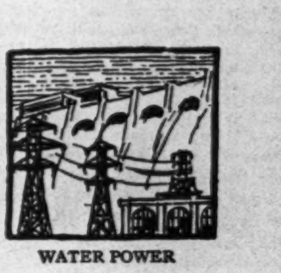
QUEBEC

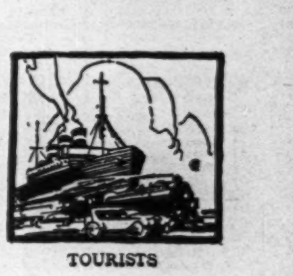
AGRICULTURE


FORESTRY


WATER POWER

MINING

INDUSTRY


TOURISTS

QUEBEC is an Empire in itself, old in story . . . rich in history . . . steeped in tradition. On a May day in 1536, Cartier planted at Stadacona, now Quebec, a cross bearing a shield emblazoned with the lilies of France, and a scroll claiming this new land for his King. The first chapter in the history of the Province had been written.

Champlain, Frontenac, Joliette, Marquette, LaSalle and the legion of adventurous gentlemen of Church and State who followed them, saw and loved the land. They settled it, fought for it, some even gave their lives for it.

The Diamond Jubilee of Confederation finds Quebec at the beginning of the era of its greatest expansion, with tradition and initiative working soberly and amiably together for the greater glory of united Canada.

Agriculture • The value of the field crops produced in 1926 was around $140,000,000. The value of the dairy production is about $30,000,000 annually.

Forests • In addition to an estimated reserve of 230,000,000,000 feet of merchantable timber, the forests of Quebec contain some 100,000,000,000 feet of pulpwood, claimed authoritatively to represent the largest area of pulpwood forests in the world. The annual exports of pulp and paper from the Dominion are now valued at around $280,000,000.

Water Powers • The total development of water powers in the Province amounts to over 1,500,000 h.p. and there remain undeveloped powers estimated at 11,000,000 h.p.

Fisheries • The fisheries of the Province produce over $4,000,000 annually.

Minerals • Enormous treasures in minerals await development. Today, Quebec stands fifth among the Provinces of Canada in the value of minerals produced, yet, the field is so wide that comparatively little has been done to ascertain the extent of her resources. Quebec is responsible annually for over 85% of the world's asbestos supply. Gold, silver, copper and iron ore are here in abundance, and are attracting men of capital and vision in ever-increasing degree.

Industry • Quebec is one of the greatest industrial regions in Canada and the number of establishments is constantly growing. More than $1,000,000,000 in capital is invested in all kinds of industry in the Province and the industrial payroll in the Province is approximately $165,000,000 annually.

The Northern Electric Company continues to contribute to this growth by developing and supplying much of the electrical equipment which binds the provinces together industrially and socially

Northern Electric
COMPANY LIMITED

Equipment for the transmission of Sound and Power

228

Information

This announcement appears in the press throughout Canada this month. An outline of the Maritimes' contributions to the national wealth and resources will be published during August.

1867 • CANADA • 1927

ISLAND PROVINCE SETS STANDARD IN POTATO GROWING

Over 700,000 Bushels of 1926 Crop Sold for Seed Purposes

Although the smallest Canadian province, Prince Edward Island is recognized all over America as being the centre of pure seed potato growing and thus justifying its right to the title of "Spud" Island. At the present time about 35,000 acres are devoted to potatoes, one-third of which is planted to Cobblers and Green Mountains. An interest in the growing of white varieties was stimulated in 1916 by the Federal Division of Botany, by locating good stock, demonstrating the beneficial results of spraying and by inspection service.

In 1918 the first car of certified seed was shipped from the Island. After that seed potatoes were produced in various States, from which it became apparent that the Island had seed potatoes for export of a quality seldom equalled and nowhere in America excelled. These seed potatoes meet the high standards set by the Government. All inspection is free to any one making application to the Federal Division of Botany, which has sole control of the inspection service.

Inspect 2,300 Fields

In his report on 1926 results, W. Boulter, secretary of the Prince Edward Island Potato Growers' Association, says, "There were 2,300 fields inspected, containing a total of 9,275 acres. Of these, 7,597 passed both field inspections. Of the above total inspected, 6,481 acres were Irish Cobblers, of which 6,327 acres, or 92.48 per cent. passed field inspection. Let us compare our standards for the second inspection with the average per cent. of disease found in the fields that passed. The standard allows 2 per cent. black leg. The average in fields passed was .239 per cent., slightly above one-tenth of the allowance. For leaf roll, curly dwarf, etc., the standard allows 1 per cent. The average in fields passed was .007 per cent., which means one leaf roll in 1,400 plants. No other disease counts were recorded.

"Statistics show that the total acreage of Irish Cobblers in the Cobbler-growing sections of Canada and the United States passing final inspection was 10,716 acres. This shows that Prince Edward Island, with its 6,327 acres, has, if we allow for small acreages not reported, approximately 60 per cent. of the total acreage in America passing both field inspections.

"We have in our Cobblers a remarkable trueness of type. We are proud to say that up to the present we have never found a spindle tuber plant in the Province. We cannot say the same about our Green Mountains. Unfortunately, they are more susceptible to mosaic, and although there is seldom a high percentage of mosaic counts, our standard allowing 1 per cent. was too rigid for at least one-half of our Green Mountain acreage.

Fertilizer Increases Production

"Our planting season begins the middle of May and continues until June 20, sometimes later. The usual custom is to use a sod or clover field, plowed the preceding fall or summer. The field is well cultivated in the spring. An application of from 1,200 to 1,500 pounds of fertilizer, home mixed, is broadcast. If the acreage is large a machine planter is used. If there are but a few acres, then the field is marked off, the pieces are dropped by hand and covered with a horse hoe.

"As soon as the plants appear they are covered, perhaps twice. Growth is very rapid, and by July 20 the spraying machines are put in readiness, and consistent spraying is carried on every ten days until there is no danger from blight.

"Cultivation of the crop is continued as long as it is deemed advisable, and the farmers have learned that the potato crop responds to good cultivation. The harvesting of the Cobblers begins about the middle of September. This work requires great care on the part of the farmer, and one of his greatest difficulties is getting machinery that will dig the crop without too much injury to the tuber.

Handling the Potatoes

"The potatoes are picked and emptied into sacks, carefully loaded and hauled to the warehouse or cellar and emptied about the same as if they were eggs. Even with such care the percentage of bruises is considerable. The potatoes are allowed to remain before grading begins for ten days or longer in order to cure. Then the inspector visits the grower, looks over the pile and begins grading. It is an anxious time until the inspector again visits him and either leaves some tags or advises him that it is necessary to regrade what he has sacked.

"We are satisfied that since the present methods of seed improvement have begun with us we have increased the yield from 50 to 75 per cent. Our average yield in 1926 for the white varieties is placed at 325 bushels per acre. Our average for the other crops was not 200 bushels. We have knowledge of several farmers shipping 275 to 300 bushels of certified seed from an acre of potatoes. Our farmers plant the rows a good distance apart, but plant the pieces quite close in a row, giving them more potatoes, but not very large ones, thus eliminating the loss in grading.

"The association has, up to the present, handled 700,000 bushels of the 1926 crop of certified seed. All potatoes sold to the end of December are pooled and an average price is paid to each member. One cargo of potatoes loaded at Charlottetown by the association had 180,000 bushels."

GROUP INSURANCE CUTS PROTECTION COSTS TO WORKERS

(Continued from page 22)

on which is to be paid by the employer or by the employer and employee jointly, and insuring only all of his employees, or all of any class or classes thereof determined by conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection, for the benefit of persons other than the employers; provided, however, that when the premium is to be paid by the employer and employee jointly and the benefits of the policy are offered to all eligible employees, not less than seventy-five per centum of such employees may be so insured."

This definition has been embodied in the law of many of the states.

Underwriting Practices and Provisions

Group life policies are confined to groups of fifty lives or more, although similar coverage is granted by some companies to groups as low in number as ten. In these small cases, however, the insurance company requires a brief statement from each employee as to his state of health and reserves the right to exclude any individual. When the number in the group is over five hundred, it is usual to insure all on the payroll whether sick or well. If the number is between fifty and five hundred, only those who are actively working on full time and for full pay are included at the issue of the policy.

Group life policies provide that new employees shall be eligible for insurance. Insurance is terminated on termination of employment, except that if employment ceases because of sickness, the insurance may be continued and usually is. Indeed, in the event of cancellation of insurance through notice of termination of employment from the employer and subsequent death arising from sickness at time of discontinuance of employment, the insurance company treats the notice of cancellation of insurance as an error and pays the claim. Insurance on employees temporarily laid off from work may be continued by the employer if premiums are paid, and it is usual to allow insurance on pensioners if all pensioners are included. Policies provide, and the law requires, that an employee whose insurance is terminated by reason of termination of employment shall be eligible for an ordinary life or endowment policy without medical examination.

Few Are Accident Claims

The criticism has been made that since group insurance covers employees in active employment, it is little more than accident insurance, but from the foregoing, it will be seen that this is not so. Indeed, in an investigation on group insurance in which there were 75,683 claims, only about 10% were due to accident.

The average amount of insurance per individual in the group business of one large insurance company is approximately $1,500. The minimum amount of insurance fixed for individuals in any class is usually $500 and the maximum is $10,000. So high a maximum amount as $10,000 for individuals in a class is permitted only in large groups.

Policies also provide that if total and permanent disability occurs, before age sixty, the full sum insured, either in one sum or in instalments, will be paid at disability instead of at death.

A master policy is issued to the employer. But each employee names the beneficiary to whom his insurance is payable, and a certificate is issued by the insurance company to each employee setting forth the amount of insurance, the name of the insured, the name of the beneficiary, and the general privileges and conditions contained in the master policy in so far as they affect the employee.

CANADIAN FLOUR MILLS SEEK END TO PRICE-CUTTING

In This Is Chief Reason For Optimism For Future

The flour milling industry of Canada, after many years of steady development, has fallen upon rather difficult conditions during the past few years, and these have exercised a marked influence on the prices of the securities of those companies whose stocks are listed on the Canadian exchanges, says a review of Johnston and Ward. The Great War provided for the exporting Canadian mill an unprecedented market especially in European countries, and this situation continued throughout 1917, 1918, 1919 and 1920. On this export business to outside countries that were in pressing need of Canadian flour, there was an excellent aggregate profit, not on the individual barrel, but when measured in the volume of sales that far surpassed any records of Canadian mills before or since. In those years several companies showed net profits that represented well over 20 per cent. on the common stocks, and bonuses in addition to the existing dividend rates were the order of the day. As a result of the abnormally profitable conditions, the listed securities made sharp advances, as if on the assumption that current sales and profits were guaranteed indefinitely. From 1922 onward all the mills experienced changed operating conditions, profits were reduced very materially, bonuses in most instances had to be cut off entirely, and in some cases regular dividends were passed as in those of Maple Leaf Milling Company and St. Lawrence Flour Mills. Even today neither of these companies is earning sufficient to make it reasonable to expect a resumption of the old dividends in the near future.

Only One Maintains Earnings

Of the five groups of listed milling stocks considered in this review Ogilvie Flour Mills is the only company that has been able to maintain its old-time earning power. This is due not to its actual milling operations but to the growth of an unusually profitable investment account, and to outside operations in the way of elevators. Lake of the Woods Milling Company, which the last two years fell far below earning its common dividend rate of 12 per cent., has made a marked recovery in earning power and it is stated officially that for the fiscal year ending August 31, 1927, the dividend disbursement of 12 per cent. on the common stock will be shown as earned with a substantial surplus to the good. Western Canada Flour Mills has been one of the most consistent earners, and shows a surplus over dividend requirements. It has been able to maintain a regular dividend rate of 8 per cent. in recent years, until a change was made through a readjustment of the capital structure, although it has had to forego any action in the way of bonuses such as were disbursed with liberal spirit from 1917 to 1920 inclusive.

Payment of Bonuses

In bonus policies Ogilvie Mills was the most outstanding, with bonuses running as high as 15 per cent., as was the case in 1918 and 1919. During 21 years, 1904 to 1924, before the split in the stock, regular dividends of 188 per cent. were supplemented by cash bonuses amounting to 92 per cent., and in addition a stock dividend of 100 per cent., a grand total of 380 per cent. paid out on the common in 21 years, or over 13 per cent. on the average per annum. Western Canada Flour Mills in 1917 paid out 10 per cent. in stock in addition to 8 per cent. as the regular dividend, and in 1918 and 1919 10 per cent. each year in Victory Bonds, besides 2 per cent. in cash. In 1920 15 per cent. was paid in stock bonus besides 2 per cent. cash, making total payments 18 per cent. in 1917, 20 per cent. each in 1918 and 1919, and 25 per cent. in 1920. Maple Leaf Milling Company paid a bonus of 10 per cent. in 1917 and 1918. Lake of the Woods Milling Company's bonuses included 4½ per cent. in 1918, and 25 per cent. in 1920. St. Lawrence Flour Mills paid 4 per cent. in 1918, 1919 and 1920, and a special bonus of 10 per cent. early in 1920.

Some Unfavorable Conditions

In recent years the industry has had to contend with keen competition in European markets from Canadian wheat, which is carried to European millers at a much lower freight rate than has to be met by Canadian flour. In addition, it is claimed by a number of Canadian millers, the Canadian Wheat Pool at times sells wheat abroad at a price lower relatively, than is paid by Canadian millers in Canada. At the recent annual meeting of shareholders of Maple Leaf Milling Company this situation was amplified by the general manager, who declared that about 60 per cent. of the Canadian crop is handled by the Canadian Pool, and that quite a proportion finds a market at lower levels than are secured within the confines of the Dominion of Canada. He pointed out that under these conditions the Canadian miller was placed at a distinct disadvantage in meeting his competitors in foreign markets.

Another unfavorable condition is the growing competition on the part of American millers, who secure Canadian wheat in bond without payment of duty, grind it in their mills and export it as American flour.

Various efforts have been made by Canadian millers to bring about some sort of understanding with the Canadian Wheat Pool and also to secure lower ocean rates for flour that would lessen the competition in European markets between Canadian wheat and Canadian flour, but so far little progress has been made in either direction. Much better conditions, however, are being brought about through an understanding between the various Canadian mills, and serious and unprofitable price-cutting that was a feature of the past two or three years, both in export and domestic business, is being eliminated. In this co-operative spirit among the larger Canadian mills lies the chief hope for a real and permanent improvement to the milling industry of Canada.

Many Insurance Licenses Issued by Ottawa Depart.

The Superintendent of Insurance at Ottawa has announced that the following companies have been licensed to transact the business of fire insurance in Canada: The Svea Fire & Life Insurance Co. Ltd., the chief agent in Canada being J. T. O'Bryan, Vancouver, B. C., and The Commercial Union Fire Insurance Co., of New York.

The following licenses have also been issued:—Compagnie D'Assurances Generales, sprinkler leakage insurance; National Union Fire Insurance Company of Pittsburgh, Pa., fire insurance, automobile insurance, earthquake insurance, explosion insurance, hail insurance, inland transportation insurance, sprinkler leakage insurance and tornado insurance; Fidelity Insurance Company of Canada, forgery insurance.

Certain-Teed May Buy Glidden and Beaver Products

The Certain-Teed Products Corporation will soon make an offer of merger to stockholders of the Glidden Company and the Beaver Products Company. It is planned to offer one share of Certain-Teed common for about three shares of Glidden common and about 100,000 shares of Certain-Teed common for Beaver Products stock, subject to the latter company's funded indebtedness.

Glidden's average earnings for the past three years would approximate $10 per share annually on the Certain-Teed stock. Combined sales of the three companies would approximate $75,000,000 per year.

Glidden's paint factories are close to market centres. Beaver Products manufactures wallboard and other building materials. The merger would give Glidden and Beaver Products stockholders dividend-paying stock in place of non-dividend paying issues. It also would permit refunding $6,800,000 Beaver Products funded debt, which for the most part bears interest at 8 per cent.

Beaver Products Company has a Canadian plant at Thorold, Ont.

Atlantic Sugar Refineries
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Lantic Sugar

General Offices
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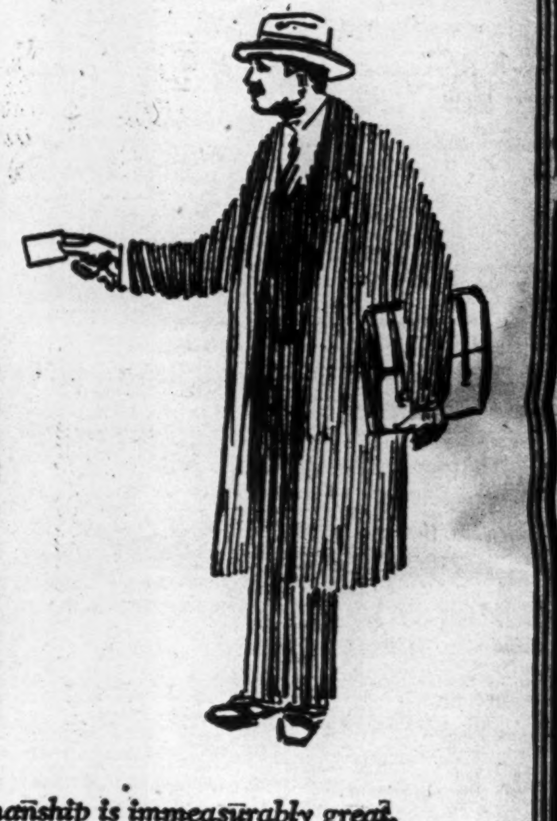
Refineries - St. John, N.B.



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Are the visits of your salesmen preceded by attractive, interesting sales literature describing the value of your goods to your prospective customers?

Or do you leave it to your salesmen to do all the work of creating interest and breaking down sales resistance?

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Your printer can help you. Use him.

HOWARD SMITH PAPER MILLS LIMITED
MONTREAL, CANADA

Return of the Chartered Banks of the Dominion of Canada, May 31st, 1927

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due. to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	42,099,291	20,229,524	....	9,383,819	145,986,391	383,719,063	87,304,591	2,261,887	858,266	5,112,473	581,557	10,081,808	1,258,023	904,089	29,916,700	29,916,700	769,614,187	31,175,000	12	1,952,173	33,041,737	48,355,897	43,851,678
Nova Scotia	14,225,756	2,363,025	....	1,232,940	35,660,117	122,943,897	35,285,787	2,171,134	114,888	916,678	157,957	6,357,748	119,388	4,092	19,500,000	10,000,000	251,053,411	15,000,000	16	1,877,135	9,210,907	7,765,333	15,094,733
Toronto	7,386,903	770,659	2,000,000	356,528	31,321,417	59,519,523	....	1,229,881	287,943	4,266,596	987,896	1,660,878	106,754	151,745	7,000,000	5,000,000	122,046,726	10,000,000	12	2,155,125	420,280	4,906,583	7,806,325
Provinciale	3,970,843	114,148	1,450,000	217,641	5,783,424	32,600,811	....	....	....	17,152	....	23,000	17,049	96,142	1,500,000	4,000,000	49,790,212	5,000,000	9	....	174,003	420,454	4,347,998
Commerce	25,946,231	6,375,828	....	3,392,433	115,901,109	229,356,678	**40,906,026	448,460	755,075	11,661,049	633,392	14,073,158	....	605,780	20,000,000	20,000,000	490,055,224	25,000,000	12	5,498,242	17,845,000	15,668,000	27,939,427
Royal	35,631,737	4,612,853	....	9,463,388	139,421,887	285,713,426	179,964,618	1,014,743	2,348,768	18,486,404	6,064,633	35,410,612	52,768	887,529	28,844,510	28,844,510	776,762,394	40,000,000	12	2,594,149	10,595,577	12,174,200	37,381,336
Dominion	7,255,392	1,666,752	500,000	507,074	31,257,570	64,557,757	2,817,572	1,374,369	95,752	1,367,083	280,801	3,024,238	624,800	1,872	7,000,000	6,000,000	128,331,038	10,000,000	12	590,606	2,123,000	4,533,000	7,590,822
Standard	6,056,345	423,506	2,250,000	427,278	22,757,390	50,954,720	....	1,065,136	138,261	1,735,182	....	285,465	158,219	4,271	2,900,000	4,823,400	93,979,178	5,000,000	12	126,273	465,145	2,749,439	6,362,790
Nationale	11,676,174	662,934	2,500,000	1,597,935	21,713,638	89,673,592	1,538,847	889	152,623	476,062	....	808,538	....	139,770	5,500,000	5,500,000	141,941,007	10,000,000	10	545,700	832,109	1,924,493	12,660,274
Imperial	9,722,018	2,001,768	....	2,624,741	31,701,019	67,754,576	....	767,201	242,522	428,890	....	696,779	....	3,571	7,500,000	7,000,000	130,443,089	10,000,000	12	162,000	1,007,288	5,213,310	10,090,531
Weyburn Security	535,512	81,704	....	13,165	1,867,920	2,956,440	....	....	....	19,955	....	7,500	....	20	225,000	524,560	6,231,778	1,000,000	5	118,120	25,565	37,242	622,762
Total	164,506,202	39,302,701	8,700,000	29,216,942	583,371,882	1,389,750,483	347,817,441	10,333,700	4,994,098	44,487,524	8,706,236	72,429,724	2,337,001	2,798,881	129,886,210	121,609,170	2,960,248,244	162,175,000	.....	15,619,523	75,740,611	103,747,951	173,748,676

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal°	33,596,351	45,306,894	3,555,832	944,475	25,941,068	94,242	17,333,592	88,549,600	30,914,134	5,289,545	19,244,058	127,949,487	252,554,747	41,473,101	30,999,316	2,099,768	769,569	1,195,270	11,800,000	10,081,808	1,420,787	17,000,000	2,824,001	632,203	771,569,859
Nova Scotia	9,271,908	5,120,031	1,181,704	1,968,758	14,704,004	1,145	3,487,225	27,681,796	11,114,918	12,538,422	26,040,586	14,708,732	77,847,139	21,132,760	5,596,333	360,255	36,349	85,224	7,189,459	6,357,748	491,582	6,000,000	....	136,580	253,052,672
Toronto	436,814	5,698,014	637,550	110,890	6,444,453	....	1,582,584	16,898,600	3,044,514	4,333,201	11,286,520	....	61,039,379	....	2,374,917	132,342	....	196,732	3,272,644	1,660,878	256,775	3,555,866	....	....	122,962,683
Provinciale	184,783	458,825	740,425	117,047	1,763,817	2,424,040	274,360	6,719,178	2,159,694	4,664,683	8,043,405	....	16,938,515	....	1,792,958	137,608	625,231	241,895	1,876,705	23,000	158,400	600,000	....	197,375	50,141,952
Commerce	10,746,833	11,348,177	2,265,980	1,209,179	18,673,758	....	14,509,233	52,095,247	26,759,769	10,311,780	27,735,306	28,489,316	191,513,704	29,906,064	21,264,622	2,517,172	2,135,075	998,437	11,792,031	14,073,158	1,000,000	11,000,000	....	441,081	492,441,135
Royal*	11,064,804	15,631,213	3,373,508	17,485,147	31,789,405	....	25,562,159	71,953,905	30,533,046	19,562,447	37,062,169	74,022,896	203,315,694	159,191,105	9,428,697	2,525,572	1,919,692	1,437,683	14,646,981	35,410,612	1,245,000	10,000,000	1,655,203	515,350	780,032,735
Dominion	2,135,162	5,060,350	942,730	257,175	6,805,238	77	1,513,874	14,894,875	4,558,813	2,400,355	11,311,573	3,475,281	61,901,589	1,808,633	939,404	232,041	43,835	36,926	5,723,200	3,024,238	310,000	2,300,000	2,355,640	306,151	129,981,529
Standard	483,226	3,389,654	570,938	89,703	5,626,837	....	717,590	9,705,886	3,052,170	3,503,756	14,401,618	....	43,987,734	....	2,283,458	457,448	313,244	258,926	3,888,506	285,465	250,000	1,700,000	....	88,959	95,055,126
Nationale†	940,243	2,318,205	1,756,365	231,635	4,124,310	575,706	1,452,615	22,984,443	15,730,765	1,774,145	9,816,953	....	59,644,891	33,239	5,075,444	198,493	1,212,152	950,674	5,489,636	808,538	281,035	7,000,000	....	294,578	142,694,075
Imperial	1,020,793	5,435,221	1,072,486	318,762	6,918,967	625,566	1,890,158	15,442,903	9,402,138	61,911	12,916,008	7,000,000	51,685,405	....	6,724,919	183,143	601,252	664,923	5,127,292	696,779	337,630	4,014,466	....	317,508	132,458,241
Weyburn Security	25,485	33,535	26,005	2,643	24,484	928,655	51,668	1,057,579	123,912	312,512	....	500,000	2,303,203	100,000	9,731	34,668	176,795	147,538	256,990	7,500	27,532	100,000	....	73,991	6,324,432
Total	69,906,402	99,800,119	16,123,523	22,735,414	122,816,341	4,649,431	68,375,058	327,984,012	137,393,873	64,752,757	177,858,196	256,145,712	1,022,732,000	253,644,902	86,489,799	8,878,510	7,833,194	6,214,228	71,063,444	72,429,724	5,778,741	63,270,332	6,834,844	3,003,776	2,976,714,43

**Of this deposit, $20,670,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement. Footnote to Bank of Montreal return.

*The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

†The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, JULY 7, 1927.